

August 1994

UNITED NATIONS

How Assessed
Contributions for
Peacekeeping
Operations Are
Calculated



**National Security and
International Affairs Division**

B-257610

August 1, 1994

The Honorable Tom Lantos
Chairman
The Honorable Doug Bereuter
Ranking Minority Member
Subcommittee on International Security, International
Organizations, and Human Rights
Committee on Foreign Affairs
House of Representatives

This report responds to your request that we (1) provide information on how the United Nations calculates member countries' assessed contributions for peacekeeping costs, (2) analyze proposed alternatives to the current method of calculating peacekeeping assessments, and (3) develop information on how the assessment calculations might be modified. This report does not present information on the State Department's current strategy for getting the U.S. assessment reduced because (1) the strategy has been classified as confidential by State and (2) State Department officials briefed your staff on its strategy.

Background

The United Nations Participation Act of 1945, as amended, and the Foreign Assistance Act of 1961, as amended, provide authority for appropriating U.S. funds for U.N. activities. As of June 1, 1994, there were 18 active U.N. peacekeeping missions around the world at an estimated cost of \$3.5 billion for 1994. Two of these missions are financed through the U.N. regular budget, two through a combination of voluntary and assessed contributions, and the remainder through a special assessment based on a system established in 1973.

The U.S. special peacekeeping assessment rate is 31.7 percent; however, the United States has continued to pay its previous assessment of 30.4 percent, reflecting an informal agreement with the U.N. Controller.¹ Recent legislation requires that U.S. payment for peacekeeping operations in fiscal years 1994 and 1995 continue to not exceed 30.4 percent and, beginning in fiscal year 1996, not exceed 25 percent.² For 1993, the U.S.

¹We have previously recommended that the Secretary of State instruct the U.S. Permanent Representative to the United Nations to seek other members' support for reexamining the basis for, and equity of, the special U.N. assessment scale for peacekeeping operations. See United Nations: U.S. Participation in Peacekeeping Operations (GAO/NSIAD-92-247, Sept. 9, 1992.)

²The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 (P.L. 103-236, sec. 404).

regular budget assessment was about \$310 million and its peacekeeping assessment was almost \$830 million.

Results in Brief

The special assessment scale for financing peacekeeping operations is based on the U.N. regular budget assessment scale, with peacekeeping rates determined by member countries' placement within four assessment groups. Group A countries are the five permanent members of the Security Council³ and pay at a rate of 100 percent of their regular budget assessment rate, plus their proportionate share of the reductions allowed for less developed countries; group B countries are specifically named industrialized countries and pay at a rate of 100 percent of their regular budget assessment rate; group C countries tend to be less developed and pay at a rate of 20 percent of their regular budget assessment rate; and group D countries are the specifically named poorest countries and pay at a rate of 10 percent of their regular budget assessment rate. The underlying rationale for this structure was that (1) permanent Security Council members should pay more than others to recognize their influence and veto power over peacekeeping missions and (2) less developed countries should be given some financial relief due to their limited capacity to pay.

Under the special peacekeeping scale, the permanent five Security Council members are assessed a total of 55.2 percent, the 24 industrialized countries in group B are assessed a total of 42 percent, and the remaining 153 countries are assessed a total of 2.8 percent. The special peacekeeping scale results in 168 countries, including Austria, China, Kuwait, Norway, and Saudi Arabia, each being assessed less than 1 percent. Fifty-seven countries are assessed 0.001 percent each for peacekeeping costs.

The regular budget scale of assessments, upon which the peacekeeping assessment is based, is a complex formula calculated on the basis of national income, converted into U.S. dollars, with various adjustments for external debt, low per capita income, and other factors. U.N. Secretariat staff and some member country officials stated that the regular budget assessment formula results in an approximation of a country's capacity to pay toward U.N. expenses, but they acknowledged that the various adjustments in the methodology are confusing. (See app. I for further information on the U.N. methods for calculating assessments.)

³Permanent Security Council members are China, France, the Russian Federation, the United Kingdom, and the United States.

The United States often provides direct or indirect support for U.N. operations in addition to amounts contributed on the basis of peacekeeping budget assessments. For example, the Department of Defense (DOD) provided over \$20 million in goods and services for the U.N. Operation in Somalia (UNOSOM) from April 1992 to April 1993 for which reimbursement was waived by the Acting Secretary of State with the concurrence of the Secretary of Defense. When the initial operation in Somalia failed, the U.N. Security Council accepted the U.S. offer to lead a multinational Unified Task Force (UNITAF) to establish a secure environment for humanitarian relief operations and prepare for a transition back to a U.N. peacekeeping operation. From December 1992 through April 1993, DOD spent nearly \$700 million for the UNITAF operations for which reimbursement from the United Nations was not sought.⁴

DOD has also provided substantial support to the U.N. Protection Force (UNPROFOR) in the former Yugoslavia for activities such as airlift and airdrop services and enforcement of the no-fly zone. DOD will not be reimbursed by the United Nations for the cost of this support.⁵ Some have suggested that the millions of dollars the United States spends for activities related to U.N. missions for which it is not reimbursed either should be considered as part of the U.S. contribution to U.N. peacekeeping assessments or, at the very least, taken into account when calculating the assessment percentage.

Various options have been proposed by U.N. members and independent groups to address equity issues and to simplify the methods for calculating the U.N. regular budget and peacekeeping assessments. These include

- calculating the regular budget assessment by substituting national income with a concept known as sustainable income—defined as national income less expenditures essential to sustainable development, such as for health, education, and infrastructure;
- using price adjusted currency exchange rates to calculate regular budget assessments because exchange rates currently used may not reflect relative prices;
- modifying or eliminating the regular budget ceiling;
- reducing the statistical base period from 10 years to 3 years; and
- establishing specific criteria for countries' placement in groups B and C for purposes of calculating peacekeeping assessments.

⁴Peace Operations: Cost of DOD Operations in Somalia (GAO/NSIAD-94-88, Mar. 4, 1994).

⁵Humanitarian Intervention: Effectiveness of U.N. Operations in Bosnia (GAO/NSIAD-94-156BR, Apr. 13, 1994).

There have also been some discussions about expanding the permanent membership of the Security Council, which would reduce the amount the current five members pay above their regular assessment rates. (See app. II for a more detailed discussion of these options and other proposals.) U.N. officials believe that none of these proposals are likely to be adopted soon. Furthermore, they said that none of these options—except changes to the ceiling—would have a significant impact on the U.S. peacekeeping assessment rate.

As your staff suggested, we constructed a simplified perspective of countries' ability to pay using a 1992 "snapshot" of (1) countries' percentages of global gross national product (GNP)⁶ and (2) a regrouping of peacekeeping categories using World Bank per capita income data. These data show that the U.S. share of global GNP in 1992 was 26.07 percent. If simple relative share of global GNP were used as the basis for U.N. regular budget assessments, and a special assessment scale were retained for peacekeeping budgets, but no floor or ceiling were to be applied, the U.S. peacekeeping assessment would be 29.213 percent. (See app. III.) We are not advocating that this simplified approach be adopted; rather, we are presenting this information to illustrate what countries would pay based solely on GNP share. It should be noted that such an approach does not take into account expenditures countries make that contribute both directly and indirectly to the maintenance of international peace and security, such as the size of national forces, forward deployments, and the provision of economic and security assistance.

State Department officials agreed that more objective economic criteria are needed to assess countries based on current ability to contribute toward expenses. We did not discuss our analysis with U.N. officials, but we note that the concepts we used, such as regrouping countries based on per capita income data and simplifying the assessment formula, are similar to options being discussed at the United Nations.

Scope and Methodology

To determine how the United Nations calculates its member country assessments for contributions to its expenses, we met with members and staff of the U.N. Committee on Contributions and the U.N. Statistical Office and reviewed various U.N. documents to understand how the regular budget and peacekeeping assessment methodologies were developed and are applied. We met with officials from Australia, Germany,

⁶Global GNP" is used in this report to refer to the total GNP of all U.N. member countries.

Russia, Saudi Arabia, and the United Kingdom, many of whom are representatives to the U.N. Committee on Administrative and Budgetary Matters, to discuss their views on the technical merits and equity of the current assessment methodologies as well as proposed modifications. We also discussed with officials of the Ford Foundation and the Henry L. Stimson Center recommendations made by these organizations concerning U.N. assessment and financing issues.

Using available information from the World Bank and the State Department, we developed a simplified methodology for the regular budget assessment as well as some alternatives for placement in peacekeeping assessment categories. Our alternatives are for illustrative purposes only and are not intended as formal recommendations.

We conducted our review from January to April 1994 in accordance with generally accepted government auditing standards.

Agency Comments

As requested, we did not obtain written agency comments on this report. However, we discussed the report with State Department officials. Also, portions of the report dealing with current methodologies and U.N. alternatives were reviewed by officials of the U.N. Committee on Contributions and the U.N. Statistical Office for accuracy. The comments of State and U.N. officials have been incorporated as appropriate.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 7 days after its issue date. At that time, we will send copies of this report to the Secretary of State and other appropriate congressional committees. Copies will be made available to other interested parties upon request.

Please contact me at (202) 512-4128 if you or your staffs have any questions concerning this report. The major contributors to this report are listed in appendix IV.



Harold J. Johnson, Director
International Affairs Issues

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Abbreviations

| | |
|----------|-------------------------------------|
| DOD | Department of Defense |
| GNP | gross national product |
| IMF | International Monetary Fund |
| UNPROFOR | United Nations Protection Force |
| UNOSOM | United Nations Operation in Somalia |
| UNTAF | Unified Task Force |

Current Assessment Methodologies and Rates

U.N. peacekeeping missions are funded from three sources: regular budget assessments, voluntary contributions, and a special scale for peacekeeping assessments. Currently, two missions are financed from the regular budget and two are financed from both voluntary and assessed contributions.¹ All other peacekeeping missions—currently numbering 14—are financed through special assessments. The special assessment scale currently used began in 1973 with the establishment of the second United Nations Emergency Force to deal with the Egypt-Israeli conflict.

The current U.N. peacekeeping assessment formula is based on percentages of the regular budget scale of assessments. The regular budget assessment is an attempt to determine each country's capacity to contribute toward U.N. expenses by determining its national income, converting this figure into U.S. dollars, and making several adjustments to convert national income into assessable income. Peacekeeping assessments are based on a country's placement within four assessment groups established in 1973. A significant portion of U.N. operations is also financed through voluntary contributions, which are not within the scope of this report.

Regular Budget Methodology

The regular budget scale of assessments is developed every 3 years by the Committee on Contributions and approved by the General Assembly. The Committee was established in 1946 to provide the Assembly with expert advice on matters relating to the apportionment of U.N. expenses. The Committee is made up of 18 members who are selected by the General Assembly on the basis of their personal qualifications, experience, and geographical representation. The United States has had a member on the Committee since its inception in 1946.

The regular budget scale is based on (1) national income in member countries' local currencies, (2) an exchange rate mechanism for converting this income into U.S. dollars (the common currency unit for the assessment scale), and (3) a series of adjustments to convert member countries' national incomes into their assessable incomes.

National income has been used to measure member countries' capacity to pay regular budget expenses since 1945. National income is defined as gross national product (GNP) minus depreciation of fixed capital, such as

¹Two long-standing operations are financed through the regular budget—the U.N. Truce Supervision Organization in Israel and surrounding countries and the U.N. Military Observer Group in India and Pakistan. The U.N. Peacekeeping Force in Cyprus and the U.N. Iraq-Kuwait Observation Mission are financed through a combination of regular budget revenues and voluntary contributions.

buildings, durable equipment, and machinery. GNP is defined as the monetary value of the final goods and services produced within a country (gross domestic product) plus net income earned by nationals outside the country.

Since 1985 the national income data has been obtained from responses by governments to an annual comprehensive national accounts questionnaire prepared by the U.N. Statistical Office. Before 1985, this data was obtained from a periodic special questionnaire developed for assessment purposes only. According to U.N. officials, the use of the national accounts questionnaire has improved data collection. The U.N. Statistical Office provides estimates for missing or incomplete national income data. Such estimates may be based on other national income data or other economic data compiled by international agencies such as the World Bank, the International Monetary Fund (IMF), or the U.N. Regional Economic Commissions.

To convert member countries' national incomes into U.S. dollars, the United Nations uses IMF market exchange rates. For countries that are not IMF members, U.N. operational rates of exchange—exchange rates used by the United Nations to conduct its operations in such countries—are applied.

Once national income has been determined and converted to U.S. dollars, several adjustments are made to determine member countries' assessment rates. These adjustments, discussed below, are national income averaging, the scheme-of-limits, low per capita income allowance, the contribution ceiling and floor, debt relief, and the mitigation process.

Since 1953 the United Nations has used an average of several years of national income to determine member countries' current capacity to pay toward regular budget expenses. The average smooths out fluctuations in national income due to such factors as abrupt changes in prices for major exports. In 1953, national income was averaged over 2 years; this base period was increased to 3 years for the 1954-77 assessments, 7 years for the 1978-82 assessments, and 10 years for the 1983-94 assessments. In December 1993, the General Assembly directed that the base period be reduced to an average of 7 and 8 years.

The scheme-of-limits was implemented in 1986 as a further means of preventing dramatic fluctuations in assessment rates. The scheme establishes the maximum percentages by which countries' assessment

rates may change from one assessment period to the next. Percentage changes range from 0.75 percent for top contributors (member countries paying at least 5 percent of the U.N. regular budget) to zero change for the smallest contributors. At the end of 1991, the General Assembly agreed in principle to phase out the scheme-of-limits but at the same time to keep the lowest contribution level fixed so that rates for the poorest countries do not rise.

The low per capita income allowance is a reduction in the national incomes of those countries whose per capita incomes are below a specific amount. This adjustment was initially developed in 1946 to reflect the relationship between national income and population size and to avoid anomalies in assessments resulting from comparative estimates of national income. At that time, the Committee used its judgment to determine the extent of the allowance. Since 1948, the United Nations has used a formula based on an upper per capita income limit for concession of relief (currently \$2,600) and a maximum percentage allowance, referred to as a gradient (currently 85 percent). The allowance reduces the national incomes of a country with a per capita income below \$2,600 by 85 percent of the percentage difference between the country's per capita national income and the per capita income limit.

The contribution ceiling and floor are the upper and lower limits, respectively, on the amount member countries may contribute toward regular budget expenses. Currently, the ceiling is 25 percent and the floor is 0.01 percent. From 1946 through 1949, U.S. contributions comprised 39.89 percent of the regular budget. In 1948, the General Assembly decided that in normal times no country should contribute more than one-third of the budget to preclude overdependence on any one country. In 1954, the General Assembly enacted a contribution ceiling of 33.33 percent. This ceiling was gradually reduced to 31.52 percent between the 1958 and 1973 assessments. The current ceiling of 25 percent was set in 1972 and became effective for the 1974 assessment.

The debt relief adjustment is a reduction in the national incomes of those U.N. members with per capita incomes below \$6,000. The United Nations uses World Bank data on the external debt for each of these countries, assumes they repay 12.5 percent of the debt each year, and reduces their national incomes by that amount.

During the mitigation process, the United Nations considers pertinent factors either not reflected in the data or not captured by the assessment

methodology. Factors considered in the past include the temporary dislocation of national economies arising out of wars, catastrophes such as floods and earthquakes, and anomalies in the available statistical information.

Peacekeeping Scale of Assessment

Peacekeeping assessment rates are determined by member countries' placement within the following four assessment groups—group A, which are the 5 permanent members of the Security Council—group B, which are 24 specifically named industrialized countries that are not permanent Security Council members—group C, which are 97 member countries that tend to be less developed—group D, which are 56 specifically named poorest countries. With the exception of group A, specific criteria for defining membership in these groups were not formulated when the groups were initially established and none have been developed since.

Peacekeeping assessment rates are calculated as a percentage of regular budget assessment rates. Member countries in group D are assessed at 10 percent of their regular rate, those in group C at 20 percent, group B members at about 100 percent, and group A at 100 percent plus their proportionate share of the reductions allowed for less developed countries. This means that group A countries are currently assessed at approximately 27 percent above their regular budget contributions. The current rates of assessment for each country for regular budget and peacekeeping expenses are given in table I.1.

Table I.1: 1992-94 U.N. Regular Budget and Peacekeeping Assessment Rates by Peacekeeping Category

| Rates in percent | | |
|--------------------------|--------------------------------|------------------------------|
| | Regular budget assessment rate | Peacekeeping assessment rate |
| Group A* | | |
| China | 0.77 | 0.978 |
| France | 6.00 | 7.616 |
| Russian Federation | 6.71 | 8.518 |
| United Kingdom | 5.02 | 6.372 |
| United States | 25.00 | 31.735 |
| Total for group A | 43.50 | 55.219 |
| Group B | | |
| Andorra | 0.01 | 0.010 |
| Australia | 1.51 | 1.518 |
| Austria | 0.75 | 0.754 |

(continued)

**Appendix I
Current Assessment Methodologies and
Rates**

Rates in percent

| | Regular budget assessment rate | Peacekeeping assessment rate |
|--------------------------|---|---|
| Belarus | 0.48 | 0.482 |
| Belgium | 1.06 | 1.065 |
| Canada | 3.11 | 3.125 |
| Denmark | 0.65 | 0.653 |
| Finland | 0.57 | 0.573 |
| Germany | 8.93 | 8.974 |
| Iceland | 0.03 | 0.030 |
| Ireland | 0.18 | 0.181 |
| Italy | 4.29 | 4.311 |
| Japan | 12.45 | 12.512 |
| Liechtenstein | 0.01 | 0.010 |
| Luxembourg | 0.06 | 0.060 |
| Monaco | 0.01 | 0.010 |
| Netherlands | 1.50 | 1.507 |
| New Zealand | 0.24 | 0.241 |
| Norway | 0.55 | 0.553 |
| San Marino | 0.01 | 0.010 |
| South Africa | 0.41 | 0.412 |
| Spain | 1.98 | 1.990 |
| Sweden | 1.11 | 1.116 |
| Ukraine | 1.87 | 1.879 |
| Total for group B | 41.77 | 41.976 |
| Group C | | |
| Albania | 0.01 | 0.002 |
| Algeria | 0.16 | 0.032 |
| Argentina | 0.57 | 0.115 |
| Armenia | 0.13 | 0.026 |
| Azerbaijan | 0.22 | 0.044 |
| Bahamas, The | 0.02 | 0.004 |
| Bahrain | 0.03 | 0.006 |
| Barbados | 0.01 | 0.002 |
| Bolivia | 0.01 | 0.002 |
| Bosnia and Herzegovina | 0.04 | 0.008 |
| Brazil | 1.59 | 0.320 |
| Brunei | 0.03 | 0.006 |
| Bulgaria | 0.13 | 0.026 |

(continued)

**Appendix I
Current Assessment Methodologies and
Rates**

Rates in percent

| | Regular budget assessment rate | Peacekeeping assessment rate |
|--------------------|---|---|
| Cambodia | 0.01 | 0.002 |
| Cameroon | 0.01 | 0.002 |
| Chile | 0.08 | 0.016 |
| Columbia | 0.13 | 0.026 |
| Congo | 0.01 | 0.002 |
| Costa Rica | 0.01 | 0.002 |
| Cote D'Ivoire | 0.02 | 0.004 |
| Croatia | 0.13 | 0.026 |
| Cuba | 0.09 | 0.018 |
| Cyprus | 0.02 | 0.004 |
| Dominican Republic | 0.02 | 0.004 |
| Ecuador | 0.03 | 0.006 |
| Egypt | 0.07 | 0.014 |
| El Salvador | 0.01 | 0.002 |
| Estonia | 0.07 | 0.014 |
| Fiji | 0.01 | 0.002 |
| Gabon | 0.02 | 0.004 |
| Georgia | 0.21 | 0.042 |
| Ghana | 0.01 | 0.002 |
| Greece | 0.35 | 0.071 |
| Guatemala | 0.02 | 0.004 |
| Guyana | 0.01 | 0.002 |
| Honduras | 0.01 | 0.002 |
| Hungary | 0.18 | 0.036 |
| India | 0.36 | 0.073 |
| Indonesia | 0.16 | 0.032 |
| Iran | 0.77 | 0.155 |
| Iraq | 0.13 | 0.026 |
| Israel | 0.23 | 0.046 |
| Jamaica | 0.01 | 0.002 |
| Jordan | 0.01 | 0.002 |
| Kazakhstan | 0.35 | 0.071 |
| Kenya | 0.01 | 0.002 |
| Korea, North | 0.05 | 0.010 |
| Korea, South | 0.69 | 0.139 |
| Kuwait | 0.25 | 0.050 |
| Kyrgystan | 0.06 | 0.012 |

(continued)

**Appendix I
Current Assessment Methodologies and
Rates**

Rates in percent

| | Regular budget assessment rate | Peacekeeping assessment rate |
|--|---|---|
| Latvia | 0.13 | 0.026 |
| Lebanon | 0.01 | 0.002 |
| Liberia | 0.01 | 0.002 |
| Libya | 0.24 | 0.048 |
| Lithuania | 0.15 | 0.030 |
| Malaysia | 0.12 | 0.024 |
| Malta | 0.01 | 0.002 |
| Marshall Islands | 0.01 | 0.002 |
| Mauritius | 0.01 | 0.002 |
| Mexico | 0.88 | 0.177 |
| Micronesia (Federated States of) | 0.01 | 0.002 |
| Moldova | 0.15 | 0.030 |
| Mongolia | 0.01 | 0.002 |
| Morocco | 0.03 | 0.006 |
| Nicaragua | 0.01 | 0.002 |
| Nigeria | 0.20 | 0.040 |
| Oman | 0.03 | 0.006 |
| Pakistan | 0.06 | 0.012 |
| Panama | 0.02 | 0.004 |
| Paraguay | 0.02 | 0.004 |
| Peru | 0.06 | 0.012 |
| Philippines | 0.07 | 0.014 |
| Poland | 0.47 | 0.095 |
| Portugal | 0.20 | 0.040 |
| Qatar | 0.05 | 0.010 |
| Romania | 0.17 | 0.034 |
| Saudi Arabia | 0.96 | 0.193 |
| Singapore | 0.12 | 0.024 |
| Slovenia | 0.09 | 0.018 |
| Sri Lanka | 0.01 | 0.002 |
| Swaziland | 0.01 | 0.002 |
| Syria | 0.04 | 0.008 |
| Tajikistan | 0.05 | 0.010 |
| Thailand | 0.11 | 0.022 |
| The Former Yugoslav Republic of Macedonia | 0.02 | 0.004 |
| Trinidad and Tobago | 0.05 | 0.010 |

(continued)

**Appendix I
Current Assessment Methodologies and
Rates**

Rates in percent

| | Regular budget assessment rate | Peacekeeping assessment rate |
|--------------------------|---|---|
| Tunisia | 0.03 | 0.006 |
| Turkey | 0.27 | 0.055 |
| Turkmenistan | 0.06 | 0.012 |
| United Arab Emirates | 0.21 | 0.042 |
| Uruguay | 0.04 | 0.008 |
| Uzbekistan | 0.26 | 0.052 |
| Venezuela | 0.49 | 0.099 |
| Vietnam | 0.01 | 0.002 |
| Yugoslavia ^P | 0.14 | 0.028 |
| Zaire | 0.01 | 0.002 |
| Zambia | 0.01 | 0.002 |
| Total for group C | 13.68 | 2.749 |

Group D

| | | |
|--------------------------|------|-------|
| Afghanistan | 0.01 | 0.001 |
| Angola | 0.01 | 0.001 |
| Antigua and Barbuda | 0.01 | 0.001 |
| Bangladesh | 0.01 | 0.001 |
| Belize | 0.01 | 0.001 |
| Benin | 0.01 | 0.001 |
| Bhutan | 0.01 | 0.001 |
| Botswana | 0.01 | 0.001 |
| Burkina | 0.01 | 0.001 |
| Burundi | 0.01 | 0.001 |
| Cape Verde | 0.01 | 0.001 |
| Central African Republic | 0.01 | 0.001 |
| Chad | 0.01 | 0.001 |
| Comoros | 0.01 | 0.001 |
| Djibouti | 0.01 | 0.001 |
| Dominica | 0.01 | 0.001 |
| Equatorial Guinea | 0.01 | 0.001 |
| Eritrea | 0.01 | 0.001 |
| Ethiopia | 0.01 | 0.001 |
| Gambia, The | 0.01 | 0.001 |
| Grenada | 0.01 | 0.001 |
| Guinea | 0.01 | 0.001 |
| Guinea-Bissau | 0.01 | 0.001 |

(continued)

**Appendix I
Current Assessment Methodologies and
Rates**

Rates in percent

| | Regular budget assessment rate | Peacekeeping assessment rate |
|----------------------------|---|---|
| Haiti | 0.01 | 0.001 |
| Laos | 0.01 | 0.001 |
| Lesotho | 0.01 | 0.001 |
| Madagascar | 0.01 | 0.001 |
| Malawi | 0.01 | 0.001 |
| Maldives | 0.01 | 0.001 |
| Mali | 0.01 | 0.001 |
| Mauritania | 0.01 | 0.001 |
| Mozambique | 0.01 | 0.001 |
| Myanmar | 0.01 | 0.001 |
| Namibia | 0.01 | 0.001 |
| Nepal | 0.01 | 0.001 |
| Niger | 0.01 | 0.001 |
| Papua New Guinea | 0.01 | 0.001 |
| Rwanda | 0.01 | 0.001 |
| St. Kitts and Nevis | 0.01 | 0.001 |
| St. Lucia | 0.01 | 0.001 |
| St. Vincent and Grenadines | 0.01 | 0.001 |
| Samoa | 0.01 | 0.001 |
| Sao Tome and Principe | 0.01 | 0.001 |
| Senegal | 0.01 | 0.001 |
| Seychelles | 0.01 | 0.001 |
| Sierra Leone | 0.01 | 0.001 |
| Solomon Islands | 0.01 | 0.001 |
| Somalia | 0.01 | 0.001 |
| Sudan | 0.01 | 0.001 |
| Suriname | 0.01 | 0.001 |
| Togo | 0.01 | 0.001 |
| Uganda | 0.01 | 0.001 |
| Tanzania | 0.01 | 0.001 |
| Vanuatu | 0.01 | 0.001 |
| Yemen | 0.01 | 0.001 |
| Zimbabwe | 0.01 | 0.001 |
| Total for group D | 0.56 | 0.056 |
| Total | 99.51^c | 100.000 |

(Table notes on next page)

Appendix I
Current Assessment Methodologies and
Rates

^aPeacekeeping surcharge for group A = .264022 or 27 percent.

^bFigures are the net of deductions for Bosnia and Herzegovina, Croatia, Slovenia, and the Former Yugoslav Republic of Macedonia.

^cSlovakia and the Czech Republic have temporarily been removed from the scale, pending a decision on whether to place them in group B or group C. Their regular budget assessments are 0.13 percent and 0.42 percent, respectively. Therefore, the regular budget scale totals 100.06 percent.

Source: U.S. State Department.

A separate budget is developed for each peacekeeping mission financed through special assessments. After a peacekeeping mission is approved by the Security Council, the Department of Peacekeeping Operations prepares an implementation plan, and the Field Operations Division prepares the mission's budget and deployment plan. Because the Security Council approves a mission before the budget is submitted, the full cost implications of a mission are not known when it is approved. Once the Secretariat completes the budget, it is reviewed by the U.N. Advisory Committee on Administrative and Budgetary Questions and then by the General Assembly's Committee on Administrative and Budgetary Matters—known as the 5th Committee. Following 5th Committee approval, the budget is voted on by the General Assembly. Funds for the peacekeeping operation are then allotted, and member countries are assessed. Although mandates for ongoing missions are to be renewed every 6 months, the increased number of missions in recent years has led to mandate renewals at varying intervals. The same budget and assessment procedure is followed when mandates are renewed. Member countries are expected to pay assessed peacekeeping costs within 30 days of receiving the assessment letter.

As shown in table I.1, the U.S. peacekeeping assessment is now 31.7 percent of total peacekeeping costs, including the group A surcharge. The surcharge, which is the percentage amount charged to the permanent five Security Council members over their regular assessment rates, is almost 27 percent. Prior to the dissolution of the former Soviet Union, the U.S. peacekeeping assessment rate was about 30.4 percent and the surcharge for the permanent five was about 22 percent. However, following the dissolution of the former Soviet Union, a higher surcharge was required to account for the fact that (1) some new republics of the former Soviet Union were placed in group C and (2) Russia assumed the seat on the Security Council but only a portion of the former Soviet Union's rate, resulting in Russia bearing a smaller proportion of the

**Appendix I
Current Assessment Methodologies and
Rates**

group A assessment. Despite the higher surcharge, the United States continued to pay 30.4 percent of peacekeeping costs, as agreed upon with the U.N. Controller, until a satisfactory U.N. review of peacekeeping assessment anomalies is conducted. The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 requires that U.S. payment for peacekeeping operations in fiscal years 1994 and 1995 not exceed 30.4 percent of all assessed contributions and, beginning in fiscal year 1996, not exceed 25 percent.²

²P. L. 103-236, sec. 404.

Proposed Alternatives to the Current Assessment Methodologies

Believing that the current regular budget and peacekeeping methodologies are complex and contain some inequities, some U.N. member countries and other entities have proposed modifications to simplify the assessment process, provide more stable funding, and better measure capacity to pay expenses. U.N., U.S., and other officials with whom we spoke indicated that changing the method for calculating assessments would not be quick or easy.

Recent U.N. Proposals

The U.N. Committee on Contributions has considered several alternatives to the regular budget assessment formula proposed by member countries. For example, one suggestion is to substitute national income with a concept known as sustainable income. Sustainable income has been defined as national income minus the expenditures required to sustain such income into the future through support to sectors considered essential to sustainable development, such as education, health, and infrastructure development. However, the Committee has concluded that national income is the best available measure of capacity given the availability of data.

The Committee has also considered using price adjusted rates of exchange to address the fact that IMF exchange rates may not reflect relative prices, particularly for countries with fixed exchange rates. Price adjusted rates of exchange would allow the Committee to adjust a country's exchange rate on the basis of changes in its domestic prices. However, the Committee concluded that the concept needed further refinement before it could be adopted. Other proposals under consideration include (1) reducing the statistical base period, (2) lowering the ceiling rate, and (3) adopting a new regular budget assessment methodology based on national income with no adjustments except a floor rate of 0.01 percent for the least developed countries.

For the peacekeeping scale of assessments, the United Nations has considered using per capita national income as the criterion for defining membership in groups B and C and reserving group D for the least developed countries. However, this scale would have a minimal impact on the U.S. peacekeeping rate. According to a 1992 report by the Secretary General, moving countries with a per capita income of \$5,000 or more up to group B would have a negligible effect on the U.S. rate. The countries whose rates would be most dramatically affected are those that would move up to a higher group.

Ford Foundation and Stimson Center Recommendations

The Ford Foundation in New York and the Henry L. Stimson Center, a research firm based in Washington, D.C., have also proposed alternatives that would affect peacekeeping assessments.¹ Both organizations recommended that the United Nations consider modifying its current peacekeeping assessment process by (1) establishing a unified peacekeeping budget, financed by a single annual assessment² and (2) moving all member countries with above average per capita incomes to group B, except for the permanent members of the Security Council. The Ford Foundation also recommended that the United Nations reduce the current 10 year statistical base period for the regular assessment to 3 years to more accurately reflect current capacity to pay. The Stimson Center further recommended that the U.N. consider phasing out the special assessment rate and financing the cost of peacekeeping operations from the regular budget, reflecting the fact that peacekeeping has become a central function of U.N. operations.

Changes to Assessment Process Likely to Be Slow

Officials with whom we spoke noted a general and growing recognition that inequities exist in U.N. assessments based on the changed relative economic status of many countries and on the distortions inherent in the regular budget assessment methodology. Although most agree with the United States that it bears a disproportionate burden of U.N. costs, they believe that this reflects the strength of the United States as a permanent Security Council member as well as its comparative economic strength. Officials also noted that the United States has benefited for many years from the ceiling imposed on the regular budget assessment.

The U.N. reaches decisions by consensus, and U.S. and other officials noted that achieving this consensus will take a long time, particularly if changes in assessment methodologies mean increases for many countries. Various U.N. and U.S. officials and officials of other organizations indicated that it is unlikely that the peacekeeping assessment alone will be modified. Instead, they believe that any agreement will likely involve changes to the method for calculating the regular budget assessment as well. Even if changes to the regular budget methodology were made by the

¹Financing an Effective United Nations: A Report of the Independent Advisory Group on U.N. Financing, Shijuro Ogata and Paul Volcker, Co-Chairmen, Ford Foundation (New York: Apr. 1993) and William J. Durch and Barry M. Blechman, Keeping the Peace: The United Nations in the Emerging World Order, The Henry L. Stimson Center (Washington, D.C.: Mar. 1992).

²This budget would include projections for the costs of ongoing peacekeeping missions as well as an unappropriated margin for new and unexpected missions. Individual operations would retain separate line items, but cash from the common pool of peacekeeping funds could be used to support start-up costs for new missions and programs common to all peacekeeping missions, such as training, communications, and equipment maintenance.

General Assembly this year, these would not affect rates until the 1998-2000 assessment period. Moreover, State and U.N. officials told us that drastic changes would need to be adopted for the U.S. peacekeeping assessment rate to be reduced to 25 percent. Small changes, such as including Japan and Germany as permanent Security Council members or moving some countries up from group C or group D, would have little impact on the U.S. peacekeeping rate.

Assessment Issues Are Discussed in Several U.N. Fora

Several groups at the United Nations have been formed to discuss assessment issues and develop alternatives. These include a working group mandated by the 47th General Assembly, which is addressing the peacekeeping assessment, but whose meetings have been inconclusive; an ad hoc committee established by Japan to explore the regular budget methodology; and a special envoy established by the Secretary General to persuade wealthier group C countries to move voluntarily to group B. A forum found helpful by the United States has been the "Friends of the Secretary General"—known as the "F-14." Although this group is not a negotiating body, and its influence is thus limited, it provides a venue for discussing assessment options that might be precluded in a more formal political setting.

Assessment issues were informally discussed at the last resumed session of the 48th General Assembly ending May 6, 1994, but not as a formal agenda item. Officials of the State Department and the U.S. Mission to the United Nations told us that assessment issues will be an important agenda item at the 49th General Assembly in fall 1994 as well as during resumed sessions of the 48th Assembly this summer. They added that the United States intends to be vigorous in its efforts to promote changes.

Simplified Approaches Based on National Income

As discussed in appendix I, the regular budget assessment is based on a complicated formula with numerous adjustments, and the peacekeeping assessment is based on a 1973 grouping of countries according to no specific criteria, with the exception of group A permanent Security Council members. To provide a simplified perspective on countries' ability to pay, we used World Bank and State Department data to construct a 1992 "snapshot" of what a regular budget assessment might look like based solely on a country's percentage of global GNP. Our analysis is for 1 year, but we note that the 3-year statistical base period currently under consideration may be a better measurement of current capacity to pay than the current 10-year period. We then grouped countries for the peacekeeping assessment according to per capita national income data and revised their assessments within four options.

Regular Budget Assessment

We illustrate this simplified national income alternative in two ways: one eliminates the floor and other distortions in the current formula but retains the current 25-percent ceiling as mandated by the United Nations and the second eliminates all distortions, including the ceiling. As shown in table III.1, the overall percentage share toward the regular budget assessment for group A would be reduced, while the overall share for the other three assessment groups would also change, and differences with or without the 25 percent ceiling are minimal.

Table III.1: Percentage Changes in Share of U.N. Regular Budget Assessments Using GNP as Criterion

| 1994 peacekeeping assessment group | 1994 number of countries | 1992-94 percent regular assessment | Proposed number of countries ^a | Percent of global GNP (no ceiling) | Percent of global GNP (with ceiling) |
|------------------------------------|--------------------------|------------------------------------|---|------------------------------------|--------------------------------------|
| A | 5 | 43.50 | 5 | 39.95 | 39.08 |
| B | 24 | 41.77 | 43 | 47.22 | 47.90 |
| C | 97 | 13.68 | 78 | 10.25 | 10.44 |
| D | 56 | 0.56 | 52 | 2.53 | 2.58 |
| Total | 182 | 99.51^b | 178^c | 99.95^d | 100.00 |

^aBased on national per capita income data.

^bSlovakia and the Czech Republic have temporarily been removed from the scale, pending a decision on whether to place them in group B or C. Their regular budget assessments are 0.13 and 0.42 percent, respectively. Therefore, the regular budget scale adds to 100.06 percent.

^cPer capita income was unavailable for four countries: Andorra, Eritrea, the Former Yugoslav Republic of Macedonia, and Monaco.

^dDoes not add to 100 percent due to rounding.

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The U.S. share of global GNP in 1992 was 26.07 percent and would be assessed this amount for regular budget contributions. Although this is slightly higher than the current 25-percent ceiling assessed the United States, the U.S. share of the world's production has decreased from 31.7 percent in 1970 to 26.07 percent in 1992.¹ Furthermore, it is projected that the U.S. share could decrease to 25.28 percent by 1999.² Table III.2 indicates how the regular budget assessments of the five Security Council permanent members, Japan, and Germany would change from their current assessments. As shown, with or without the 25-percent ceiling, China's assessment would increase slightly, while the assessments of France, the Russian Federation, and the United Kingdom would decrease. Japan and Germany would see increases from their current assessments. The table also shows that the 25-percent ceiling has minimal impact on the four other group A members, Japan, and Germany after the calculation for global GNP is made.

Table III.2. Current Regular Budget Assessments and Assessments Based on 1992 Share of Global GNP for Group A Members and Japan and Germany

| Country | 1992-1994 assessment | Percentage of global GNP (no ceiling) | Percentage of global GNP (25 percent ceiling) |
|--------------------|-----------------------------|--|--|
| China | 0.77 | 1.96 | 1.99 |
| France | 6.00 | 5.64 | 5.73 |
| Russian Federation | 6.71 | 1.76 | 1.78 |
| United Kingdom | 5.02 | 4.52 | 4.59 |
| United States | 25.00 | 26.07 | 25.00 |
| Japan | 12.45 | 15.48 | 15.71 |
| Germany | 8.93 | 9.26 | 9.40 |

Although the U.S. share of 26.07 percent is slightly higher than the current ceiling of 25 percent, the U.S. burden could be eased if the special peacekeeping scale were eliminated and countries paid the same assessment for regular budget and peacekeeping costs. As noted, the Stimson Center recommended that the special peacekeeping scale be phased out because peacekeeping activities have become a central function of the United Nations.³ To ensure equity in assessments, the Stimson Center said that a methodology should be used that measures

¹National Accounts Statistics: Analysis of Main Aggregates, 1988-1989, United Nations (New York: 1991). Figure for 1970 represents U.S. gross domestic product as a percentage of global gross domestic product.

²Calculated from World Economic Outlook, Volume I: Developed Economies Pre-Meeting Forecast, The WEFA Group, April 1994, p. 4.

³Keeping the Peace, p. xi.

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capacity to pay, particularly through the revision of floors and ceilings. In spring 1993, the United States proposed the elimination of the special peacekeeping scale to other group A members, but received no support.

Overall, if using 1992 world GNP share with no ceiling or floor, 68 countries would be assessed at a higher rate, 79 countries would be assessed at a lower rate, and 35 countries would pay about the same rate. Of the 68 countries that would experience an increase, about 56 percent of the total increase would be distributed among five countries—China, Japan, India, Italy, and the United States. Increases in assessments for these countries are shown in table III.3.

Table III.3: Five Countries That Would Experience the Largest Increases in Regular Budget Assessments Using 1992 Global GNP Share and No Ceiling

| Country | Percent regular assessment | Percentage of global GNP | Amount of increase |
|---------------|----------------------------|--------------------------|--------------------|
| Japan | 12.45 | 15.48 | 3.03 |
| China | 0.77 | 1.96 | 1.19 |
| United States | 25.00 | 26.07 | 1.07 |
| Italy | 4.29 | 5.24 | 0.95 |
| India | 0.36 | 1.21 | 0.85 |
| Total | 42.87 | 49.96 | 7.09 |

If the 25-percent ceiling were retained, the United States would experience no change, and South Korea would be added to the list of countries experiencing the largest increases. South Korea's current regular assessment of 0.69 percent would be raised to 1.31 percent based on its share of global GNP in 1992.

The five countries that would experience the largest reductions using 1992 global GNP share as the criterion, in order of magnitude, are the Russian Federation, Ukraine, Canada, the United Kingdom, and Saudi Arabia. These decreases are shown in table III.4.

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Table III.4: Five Countries That Would Experience the Largest Decreases in Regular Budget Assessments Using 1992 Global GNP Share and No Ceiling

| Country | Percent regular assessment | Percentage of global GNP | Amount of decrease |
|--------------------|-----------------------------------|---------------------------------|---------------------------|
| Russian Federation | 6.71 | 1.76 | 4.95 |
| Ukraine | 1.87 | 0.38 | 1.49 |
| Canada | 3.11 | 2.50 | 0.61 |
| United Kingdom | 5.02 | 4.52 | 0.50 |
| Saudi Arabia | 0.96 | 0.56 | 0.40 |
| Total | 17.67 | 9.72 | 7.95 |

These figures are calculated on the basis of no ceiling or floor; however, including a 25-percent ceiling, these same five countries still experience the largest reductions. A slight surcharge of 1.44 percent is necessary with the 25-percent ceiling, which therefore lowers the amount of decrease. For example, with the 25-percent ceiling, the Russian Federation's assessment is 1.78 percent rather than 1.76 percent—still a significant decrease from its current regular assessment rate of 6.71 percent. In addition, the elimination of a floor would mean reductions for 29 of the least developed countries whose GNP places them below the floor.

Peacekeeping Assessment

According to the World Bank, per capita income is the main criterion used to classify economies and distinguish among different levels of development.⁴ In constructing four options for peacekeeping assessments, we first grouped countries according to World Bank classification of high, middle, and low income countries based on per capita GNP. The peacekeeping rates of assessment are based on the regular budget assessment of global GNP share and membership in one of three proposed groups. Groups A and B include 48 countries—the five permanent Security Council members and high income countries with 1992 per capita income over \$4,200.⁵ Group C includes the 78 middle income countries with per capita income between \$651 and \$4,200, and group D includes the 52 low income countries with per capita income of less than \$650. Under all options, the peacekeeping burden would be shared more evenly among high income countries, while the poorer countries would generally be assessed less than their current rates. Under two of the four options, the current floor of 0.001 percent is eliminated, which lowers the

⁴World Development Report, 1993, p. 233.

⁵With 1992 per capita incomes of \$380 and \$2,680, respectively, China and the Russian Federation would normally qualify as low to middle income countries. However, due to their permanent Security Council status, we have included them in the group that has the ability to contribute more toward peacekeeping costs than do the low to middle income groups.

peacekeeping assessment for many of the least developed countries.⁶ We also present these options with and without a peacekeeping cap of 25 percent to reflect congressional intent that the United States pay no more than 25 percent of U.N. peacekeeping costs beginning in fiscal year 1996.⁷

Our first two options, called 1A and 1B, represent a simplified regular budget methodology based on global GNP with a 25-percent ceiling and a peacekeeping rate based on per capita GNP and a 25-percent cap. Option 1A eliminates the 0.001 percent floor for the poorest countries and option 1B retains this floor. Groups C and D keep their current discounts—one-fifth and one-tenth of their regular budget assessment, respectively. Such an approach results in a peacekeeping surcharge of slightly more than 17 percent for all countries in groups A and B, except for the United States.⁸ As shown in table III.5, eliminating the floor has no virtual impact on the permanent five members of the Security Council and the other peacekeeping assessment categories. However, eliminating the floor could help the poorest countries whose national income figures would place their contributions below the floor. Under this approach, 97 countries would pay more than their current peacekeeping assessment, 64 countries would pay less, and 17 countries would pay about the same rate.

⁶The peacekeeping "floor" is not mandated as in the regular budget assessment formula. It is derived from the regular assessment rate because current group D countries assessed the 0.01 percent regular assessment floor are assessed for peacekeeping expenses at 10 percent of their regular assessment rate—0.001 percent of peacekeeping assessments.

⁷Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 (P.L. 103-236, sec. 404.)

⁸As discussed in app. I, the peacekeeping surcharge is the percentage amount charged to the permanent five Security Council members above their regular assessment rates.

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Table III.5: Options for U.N. Regular and Peacekeeping Budget Assessments With 25-Percent Ceilings and Caps Using Global GNP Share and Per Capita Income Groupings

| Group | Countries | Regular assessment global GNP share | Option 1A | Option 1B |
|-----------------------------------|------------------------|--|------------------|------------------|
| A and B | 48 | 87.17 | 97.65 | 97.63 |
| C | 78 | 10.25 | 2.09 | 2.10 |
| D | 52 | 2.53 | 0.26 | 0.27 |
| Total | 178^a | 99.95^b | 100.00 | 100.00 |
| Group A | | | | |
| China | | 1.99 | 2.33 | 2.33 |
| France | | 5.73 | 6.71 | 6.71 |
| Russian Federation | | 1.78 | 2.09 | 2.09 |
| United Kingdom | | 4.59 | 5.38 | 5.38 |
| United States | | 25.00 | 25.00 | 25.00 |
| Surcharge on A and B ^c | | | 17.22 | 17.18 |

^aPer capita income was unavailable for four countries: Andorra, Eritrea, the Former Yugoslav Republic of Macedonia, and Monaco.

^bDoes not add to 100 percent due to rounding.

^cExcluding the United States.

Our next alternatives, options 2A and 2B, are similar to options 1A and 1B, except that the 25-percent regular budget ceiling and peacekeeping caps are eliminated, raising the U.S. peacekeeping assessment rate to slightly more than 29 percent. Option 2A eliminates the 0.001 percent floor while option 2B retains the floor. Groups A and B, including the United States, would pay a peacekeeping surcharge of slightly more than 12 percent. Table III.6 indicates the effect of this approach on the permanent five members of the Security Council and the other peacekeeping categories. As with options 1A and 1B, eliminating the floor has very little effect on most countries, yet provides protection for the least developed countries. Under this approach, 97 countries would pay more than their current peacekeeping assessment, 46 countries would pay less, and 35 countries would pay about the same rate.

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Table III.6: Options Based on Global and Per Capita GNP With No Regular Budget Ceiling or Peacekeeping Cap

| Group | Number of countries | Regular assessment global GNP share | Option 2A | Option 2B |
|----------------------|----------------------------|--|------------------|------------------|
| A and B | 48 | 87.17 | 97.69 | 97.67 |
| C | 78 | 10.25 | 2.06 | 2.07 |
| D | 52 | 2.53 | 0.25 | 0.27 |
| Total | 178^a | 99.95^b | 100.00 | 100.01 |
| Group A | | | | |
| China | | 1.96 | 2.194 | 2.193 |
| France | | 5.64 | 6.326 | 6.325 |
| Russian Federation | | 1.76 | 1.970 | 1.969 |
| United Kingdom | | 4.52 | 5.070 | 5.068 |
| United States | | 26.07 | 29.213 | 29.206 |
| Surcharge on A and B | | | 12.07 | 12.04 |

^aPer capita income was unavailable for four countries: Andorra, Eritrea, the Former Yugoslav Republic of Macedonia, and Monaco.

^bDoes not add to 100 percent due to rounding.

We did not calculate the effects of these approaches on the actual dollar amounts to be paid by each country. However, assuming that 1994 peacekeeping costs will likely total about \$3.5 billion, the United States would be assessed 31.7 percent, or \$1.12 billion. The approved regular budget for 1994 is slightly more than \$1.234 billion, and the United States will be assessed 25 percent, or about \$309 million.⁹ Table III.7 indicates the effect on the U.S. dollar assessments under the options discussed in this appendix.

Table III.7: U.S. Assessments for 1994 Projected Regular Budget and Peacekeeping Expenses Using Modified Criteria

| Regular assessment using 1992 GNP share (26.07 percent) | Peacekeeping assessment options | | |
|--|--|-----------------------------------|-----------------------------------|
| | Options 1A and 1B (25 percent) | Option 2A (29.213 percent) | Option 2B (29.206 percent) |
| \$321.7 | \$875 | \$1,022.5 | \$1,022.2 |

A complete listing of all countries and the changes in assessments using world GNP, grouped according to World Bank per capita income data with peacekeeping options 1A and 2A, is provided in table III.8.

⁹The approved regular budget and projected peacekeeping expenses for 1994 were provided by the U.S. Mission to the United Nations.

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Table III.8: U.N. Member Countries Grouped According to Per Capita Income With Current Assessments and Selected Options (in percentages)

| Country (GAO grouping) | Current U.N. group | Current regular budget assessment | GNP-based regular budget assessment with no floor or ceiling^a | Current peacekeeping assessment | GNP-based peacekeeping assessment with no floor or ceiling^a |
|-------------------------------|---------------------------|--|---|--|---|
| Group A | | | | | |
| China | A | 0.77 | 1.96 | 0.978 | 2.194 |
| France | A | 6.00 | 5.64 | 7.616 | 6.326 |
| Russian Federation | A | 6.71 | 1.76 | 8.518 | 1.970 |
| United Kingdom | A | 5.02 | 4.52 | 6.372 | 5.070 |
| United States | A | 25.00 | 26.07 | 31.735 | 29.213 |
| Total for group A | | 43.50 | 39.95 | 55.219 | 44.773 |
| Group B | | | | | |
| Antigua and Barbuda | D | 0.01 | 0.00 | 0.001 | 0.002 |
| Argentina | C | 0.57 | 0.88 | 0.115 | 0.990 |
| Australia | B | 1.51 | 1.32 | 1.518 | 1.481 |
| Austria | B | 0.75 | 0.77 | 0.754 | 0.865 |
| Bahamas | C | 0.02 | 0.01 | 0.004 | 0.016 |
| Bahrain | C | 0.03 | 0.02 | 0.006 | 0.019 |
| Barbados | C | 0.01 | 0.01 | 0.002 | 0.008 |
| Belgium | B | 1.06 | 0.93 | 1.065 | 1.037 |
| Brunei | C | 0.03 | 0.03 | 0.006 | 0.029 |
| Canada | B | 3.11 | 2.50 | 3.125 | 2.798 |
| Croatia | C | 0.13 | 0.11 | 0.026 | 0.121 |
| Cyprus | C | 0.02 | 0.03 | 0.004 | 0.035 |
| Denmark | B | 0.65 | 0.59 | 0.653 | 0.662 |
| Finland | B | 0.57 | 0.51 | 0.573 | 0.575 |
| Gabon | C | 0.02 | 0.02 | 0.004 | 0.027 |
| Germany | B | 8.93 | 9.26 | 8.974 | 10.381 |
| Greece | C | 0.35 | 0.33 | 0.071 | 0.367 |
| Iceland | B | 0.03 | 0.03 | 0.030 | 0.031 |
| Ireland | B | 0.18 | 0.19 | 0.181 | 0.212 |
| Israel | C | 0.23 | 0.30 | 0.046 | 0.335 |
| Italy | B | 4.29 | 5.24 | 4.311 | 5.871 |
| Japan | B | 12.45 | 15.48 | 12.512 | 17.351 |
| Kuwait | C | 0.25 | 0.17 | 0.050 | 0.186 |

(continued)

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| Country (GAO grouping) | Current U.N. group | Current regular budget assessment | GNP-based regular budget assessment with no floor or ceiling^a | Current peacekeeping assessment | GNP-based peacekeeping assessment with no floor or ceiling^a |
|-------------------------------|---------------------------|--|---|--|---|
| Libya | C | 0.24 | 0.23 | 0.048 | 0.257 |
| Liechtenstein | B | 0.01 | 0.00 | 0.010 | 0.004 |
| Luxembourg | B | 0.06 | 0.06 | 0.060 | 0.068 |
| Malta | C | 0.01 | 0.01 | 0.002 | 0.013 |
| Netherlands | B | 1.50 | 1.38 | 1.507 | 1.545 |
| New Zealand | B | 0.24 | 0.18 | 0.241 | 0.204 |
| Norway | B | 0.55 | 0.49 | 0.553 | 0.546 |
| Oman | C | 0.03 | 0.05 | 0.006 | 0.053 |
| Portugal | C | 0.20 | 0.32 | 0.040 | 0.363 |
| Qatar | C | 0.05 | 0.04 | 0.010 | 0.042 |
| South Korea | C | 0.69 | 1.31 | 0.139 | 1.466 |
| San Marino | B | 0.01 | 0.00 | 0.010 | 0.001 |
| Saudi Arabia | C | 0.96 | 0.56 | 0.193 | 0.625 |
| Seychelles | D | 0.01 | 0.00 | 0.001 | 0.002 |
| Singapore | C | 0.12 | 0.20 | 0.024 | 0.219 |
| Slovenia | C | 0.09 | 0.06 | 0.018 | 0.063 |
| Spain | B | 1.98 | 2.42 | 1.990 | 2.710 |
| St. Kitts and Nevis | D | 0.01 | 0.00 | 0.001 | 0.001 |
| Sweden | B | 1.11 | 1.03 | 1.116 | 1.153 |
| United Arab Emirates | C | 0.21 | 0.16 | 0.042 | 0.183 |
| Total for group B | | 43.28 | 47.22 | 40.042 | 52.917 |
| Group C | | | | | |
| Albania | C | 0.01 | 0.01 | 0.002 | 0.003 |
| Algeria | C | 0.16 | 0.21 | 0.032 | 0.043 |
| Angola | D | 0.01 | 0.04 | 0.001 | 0.007 |
| Armenia | C | 0.13 | 0.01 | 0.026 | 0.002 |
| Azerbaijan | C | 0.22 | 0.03 | 0.044 | 0.006 |
| Belarus | B | 0.48 | 0.13 | 0.482 | 0.027 |
| Belize | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Bolivia | C | 0.01 | 0.02 | 0.002 | 0.005 |
| Bosnia and Herzegovina | C | 0.04 | 0.05 | 0.008 | 0.011 |
| Botswana | D | 0.01 | 0.02 | 0.001 | 0.003 |
| Brazil | C | 1.59 | 1.88 | 0.320 | 0.376 |
| Bulgaria | C | 0.13 | 0.05 | 0.026 | 0.011 |

(continued)

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| Country (GAO grouping) | Current U.N. group | Current regular budget assessment | GNP-based regular budget assessment with no floor or ceiling^a | Current peacekeeping assessment | GNP-based peacekeeping assessment with no floor or ceiling^a |
|-------------------------------|---------------------------|--|---|--|---|
| Cameroon | C | 0.01 | 0.04 | 0.002 | 0.009 |
| Cape Verde | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Chile | C | 0.08 | 0.15 | 0.016 | 0.030 |
| Colombia | C | 0.13 | 0.19 | 0.026 | 0.038 |
| Congo | C | 0.01 | 0.01 | 0.002 | 0.002 |
| Costa Rica | C | 0.01 | 0.03 | 0.002 | 0.006 |
| Cote d'Ivoire | C | 0.02 | 0.04 | 0.004 | 0.008 |
| Cuba | C | 0.09 | 0.15 | 0.018 | 0.031 |
| Djibouti | D | 0.01 | 0.00 | 0.001 | 0.001 |
| Dominica | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Dominican Rep. | C | 0.02 | 0.03 | 0.004 | 0.007 |
| Ecuador | C | 0.03 | 0.05 | 0.006 | 0.010 |
| El Salvador | C | 0.01 | 0.03 | 0.002 | 0.006 |
| Estonia | C | 0.07 | 0.02 | 0.014 | 0.004 |
| Fiji | C | 0.01 | 0.01 | 0.002 | 0.001 |
| Georgia | C | 0.21 | 0.02 | 0.042 | 0.004 |
| Grenada | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Guatemala | C | 0.02 | 0.04 | 0.004 | 0.008 |
| Hungary | C | 0.18 | 0.14 | 0.036 | 0.027 |
| Indonesia | C | 0.16 | 0.54 | 0.032 | 0.107 |
| Iran | C | 0.77 | 0.55 | 0.155 | 0.110 |
| Iraq | C | 0.13 | 0.29 | 0.026 | 0.059 |
| Jamaica | C | 0.01 | 0.01 | 0.002 | 0.003 |
| Jordan | C | 0.01 | 0.02 | 0.002 | 0.004 |
| Kazakhstan | C | 0.35 | 0.13 | 0.071 | 0.025 |
| Korea, North | C | 0.05 | 0.13 | 0.010 | 0.026 |
| Kyrgyzstan | C | 0.06 | 0.02 | 0.012 | 0.003 |
| Latvia | C | 0.13 | 0.02 | 0.026 | 0.004 |
| Lebanon | C | 0.01 | 0.02 | 0.002 | 0.003 |
| Lithuania | C | 0.15 | 0.02 | 0.030 | 0.004 |
| Malaysia | C | 0.12 | 0.23 | 0.024 | 0.046 |
| Marshall Islands | C | 0.01 | 0.00 | 0.002 | 0.000 |
| Mauritius | C | 0.01 | 0.01 | 0.002 | 0.003 |
| Mexico | C | 0.88 | 1.30 | 0.177 | 0.260 |
| Micronesia | C | 0.01 | 0.00 | 0.002 | 0.000 |

(continued)

**Appendix III
Simplified Approaches Based on National
Income**

| Country (GAO grouping) | Current U.N. group | Current regular budget assessment | GNP-based regular budget assessment with no floor or ceiling^a | Current peacekeeping assessment | GNP-based peacekeeping assessment with no floor or ceiling^a |
|--------------------------------|---------------------------|--|---|--|---|
| Moldova | C | 0.15 | 0.02 | 0.030 | 0.005 |
| Mongolia | C | 0.01 | 0.01 | 0.002 | 0.003 |
| Morocco | C | 0.03 | 0.12 | 0.006 | 0.024 |
| Namibia | D | 0.01 | 0.01 | 0.001 | 0.002 |
| Panama | C | 0.02 | 0.03 | 0.004 | 0.005 |
| Papua New Guinea | D | 0.01 | 0.02 | 0.001 | 0.003 |
| Paraguay | C | 0.02 | 0.03 | 0.004 | 0.005 |
| Peru | C | 0.06 | 0.09 | 0.012 | 0.019 |
| Philippines | C | 0.07 | 0.22 | 0.014 | 0.044 |
| Poland | C | 0.47 | 0.33 | 0.095 | 0.066 |
| Romania | C | 0.17 | 0.11 | 0.034 | 0.022 |
| Samoa | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Senegal | D | 0.01 | 0.03 | 0.001 | 0.005 |
| Solomon Islands | D | 0.01 | 0.00 | 0.001 | 0.000 |
| South Africa | B | 0.41 | 0.47 | 0.412 | 0.094 |
| St. Lucia | D | 0.01 | 0.00 | 0.001 | 0.000 |
| St. Vincent and the Grenadines | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Suriname | D | 0.01 | 0.01 | 0.001 | 0.002 |
| Swaziland | C | 0.01 | 0.00 | 0.002 | 0.001 |
| Syria | C | 0.04 | 0.07 | 0.008 | 0.013 |
| Thailand | C | 0.11 | 0.45 | 0.022 | 0.090 |
| Trinidad and Tobago | C | 0.05 | 0.02 | 0.010 | 0.004 |
| Tunisia | C | 0.03 | 0.06 | 0.006 | 0.013 |
| Turkey | C | 0.27 | 0.50 | 0.055 | 0.101 |
| Turkmenistan | C | 0.06 | 0.02 | 0.012 | 0.004 |
| Ukraine | B | 1.87 | 0.38 | 1.879 | 0.077 |
| Uruguay | C | 0.04 | 0.05 | 0.008 | 0.009 |
| Uzbekistan | C | 0.26 | 0.08 | 0.052 | 0.016 |
| Vanuatu | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Venezuela | C | 0.49 | 0.26 | 0.099 | 0.052 |
| Yugoslavia | C | 0.14 | 0.17 | 0.028 | 0.034 |
| Total for group C | | 11.47 | 10.25 | 4.507 | 2.056 |
| Group D | | | | | |
| Afghanistan | D | 0.01 | 0.03 | 0.001 | 0.003 |

(continued)

**Appendix III
Simplified Approaches Based on National
Income**

| Country (GAO grouping) | Current U.N. group | Current regular budget assessment | GNP-based regular budget assessment with no floor or ceiling^a | Current peacekeeping assessment | GNP-based peacekeeping assessment with no floor or ceiling^a |
|-------------------------------|---------------------------|--|---|--|---|
| Bangladesh | D | 0.01 | 0.11 | 0.001 | 0.011 |
| Benin | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Bhutan | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Burkina Faso | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Burundi | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Cambodia | C | 0.01 | 0.01 | 0.002 | 0.001 |
| Central African Rep. | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Chad | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Comoros | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Egypt | C | 0.07 | 0.15 | 0.014 | 0.015 |
| Equatorial Guinea | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Ethiopia | D | 0.01 | 0.03 | 0.001 | 0.003 |
| Gambia, The | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Ghana | C | 0.01 | 0.03 | 0.002 | 0.003 |
| Guinea | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Guinea-Bissau | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Guyana | C | 0.01 | 0.00 | 0.002 | 0.000 |
| Haiti | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Honduras | C | 0.01 | 0.01 | 0.002 | 0.001 |
| India | C | 0.36 | 1.21 | 0.073 | 0.121 |
| Kenya | C | 0.01 | 0.04 | 0.002 | 0.004 |
| Laos | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Lesotho | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Liberia | C | 0.01 | 0.01 | 0.002 | 0.001 |
| Madagascar | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Malawi | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Maldives | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Mali | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Mauritania | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Mozambique | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Myanmar | D | 0.01 | 0.06 | 0.001 | 0.006 |
| Nepal | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Nicaragua | C | 0.01 | 0.01 | 0.002 | 0.001 |
| Niger | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Nigeria | C | 0.20 | 0.14 | 0.040 | 0.014 |

(continued)

**Appendix III
Simplified Approaches Based on National
Income**

| Country (GAO grouping) | Current U.N. group | Current regular budget assessment | GNP-based regular budget assessment with no floor or ceiling^a | Current peacekeeping assessment | GNP-based peacekeeping assessment with no floor or ceiling^a |
|---------------------------------------|---------------------------|--|---|--|---|
| Pakistan | C | 0.06 | 0.22 | 0.012 | 0.022 |
| Rwanda | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Sao Tome and Principe | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Sierra Leone | D | 0.01 | 0.00 | 0.001 | 0.000 |
| Somalia | D | 0.01 | 0.02 | 0.001 | 0.002 |
| Sri Lanka | C | 0.01 | 0.04 | 0.002 | 0.004 |
| Sudan | D | 0.01 | 0.07 | 0.001 | 0.007 |
| Tajikistan | C | 0.05 | 0.01 | 0.010 | 0.001 |
| Tanzania | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Togo | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Uganda | D | 0.01 | 0.01 | 0.001 | 0.001 |
| Viet Nam | C | 0.01 | 0.06 | 0.002 | 0.006 |
| Yemen | D | 0.01 | 0.03 | 0.001 | 0.003 |
| Zaire | C | 0.01 | 0.04 | 0.002 | 0.004 |
| Zambia | C | 0.01 | 0.01 | 0.002 | 0.001 |
| Zimbabwe | D | 0.01 | 0.03 | 0.001 | 0.003 |
| Total for group D | | 1.21 | 2.53 | 0.207 | 0.253 |
| No grouping^b | | | | | |
| Andorra | B | 0.01 | | 0.010 | |
| Former Yugoslav Republic of Macedonia | C | 0.02 | | 0.004 | |
| Eritrea | D | 0.01 | | 0.001 | |
| Monaco | B | 0.01 | | 0.010 | |
| Total | | 0.05 | | 0.025 | |
| Total for all groups | | 99.51^c | 99.95^d | 100.000 | 99.999^d |

^aAs shown, some countries would be assessed virtually nothing because their assessments fall under the current floors of 0.01 percent and 0.001 percent. To show their actual assessment would require extending the decimal points further.

^bGNP and per capita income was unavailable for these countries.

^cSlovakia and the Czech Republic have been temporarily removed from the peacekeeping scale, pending a decision on whether to place them in group B or group C. Their regular budget assessments are 0.13 percent and 0.42 percent, respectively. Therefore, the regular budget scale totals 100.06 percent after rounding.

^dTotals do not add to 100 percent due to rounding.

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