

Specialized Agencies and Other Bodies

Food and Agriculture Organization (FAO)

The Food and Agriculture Organization (FAO), established in 1945, is a UN specialized agency that provides global data and expertise on agriculture and nutrition, fisheries, forestry, and other food and agriculture-related issues. FAO is the UN system's largest autonomous agency, with headquarters in Rome, 78 country offices, and 15 regional, sub-regional, and liaison offices, including one located in Washington, D.C.

Jacques Diouf (Senegal), Director-General of FAO, is serving his second six-year term. FAO's highest policy-making body, the biennial General Conference, comprises all 187 FAO member countries plus the European Commission. The General Conference determines FAO policy and approves FAO's regular program of work and budget. Each biennial Conference elects a 49-member Council that meets at least three times between regular Conference sessions to make recommendations to the General Conference on budget and policy issues. The North America region, which comprises the United States and Canada, is allocated two seats on the Council and one seat each on FAO's Program, Finance, and Constitutional and Legal Matters (CCLM) Committees. Through December 2005, the United States holds the North American seat on the Finance and Joint Staff Pension Committees; Canada holds the North American seat on the CCLM and Program Committees.

The 32nd Conference, which met in November, addressed several critical institutional questions. The Conference agreed by a vote of 105 to 0, with 1 abstention (Botswana) to amend FAO Basic Texts to reinstate term limits for the Director-General position, implementing a key reform priority of the United States and other major contributors.

It adopted by consensus a \$749 million program of work and budget for the 2004–2005 biennium. The U.S. annual assessment of 22 percent will amount to approximately \$83.3 million in 2004 and 2005. FAO had three successive biennia of zero nominal growth (ZNG) budgets between 1996 and 2001 and a minimal zero real growth budget increase in 2002–2003. However, inflation and the steep decline of the dollar combined to rule out a ZNG scenario.

To help protect FAO against exchange rate fluctuations after a budget has been approved, the 32nd Conference adopted a "split assessment" mechanism that will assess contributions partly in dollars and partly in euros. The methodology adopted by the Conference for applying split assessments to partial payments and to the treatment of arrears was in line with the U.S. request for a simple and transparent formula.

The 32nd Conference also agreed to a new methodology for equitable geographic distribution of professional staff, modeled after the method employed by the UN Secretariat; enlargement of the Finance Committee to 11 members, thereby ensuring a seat for the number-two donor, Japan; and admission of four new members (East Timor, the Federated States of Micronesia, Tuvalu, and Ukraine).

The Conference re-elected Ambassador Aziz Mekouar (Morocco) as Independent Chair of the FAO Council (through 2005); re-elected the United States and Canada as Council members for the North American region (through 2007); and elected the U.S. Alternate Permanent Representative as alternate member of the Staff Pension Committee (2005–2007). The 125th Council, which immediately followed the Conference, elected the U.S. Deputy Permanent Representative to the Finance Committee (through 2005).

In addition to institutional issues, the Conference addressed significant substantive matters. It endorsed an improved reporting mechanism to track countries' efforts to meet World Food Summit goals, which was a U.S. initiative. It approved a resolution calling for intensified efforts against illegal, unreported, and unregulated fishing. It also approved a cooperation agreement between the FAO and the International Organization of Epizootics.

In 2003, the United States continued to stress more efficient use of FAO resources and greater program effectiveness. The United States welcomed the 2002 report of the Joint Inspection Unit, which contained a number of recommendations for improvement in the areas of results-based management, field presence, and human resource management. While acknowledging several management improvements, the report nevertheless recommended, among other things, that FAO continue to link activities to overall strategic objectives; that regional and country representatives strengthen communication with each other and with senior management; and that FAO field representatives be selected in an open and fair process. Currently, the Director-General chooses them directly.

FAO's institutional knowledge is an important asset for U.S. agricultural, economic, and humanitarian interests. The United States draws upon FAO expertise in farming and natural resources, as well as in its agricultural and livestock response capabilities in pest outbreaks, natural disasters, and other emergencies. FAO programs to monitor and control desert locusts and to eradicate Rinderpest, a highly infectious viral disease that can destroy entire populations of cattle and buffalo, are also useful to the United States.

In the aftermath of natural disasters and other crises, FAO serves as the agency within the UN system that provides agricultural inputs (e.g., seeds, tools, fertilizers, etc.); assists in crop protection and livestock replenishment; reactivates veterinary and other agricultural services; repairs irrigation infrastructure; and provides technical expertise to protect and restore agriculture-based livelihoods and lessen dependence on food aid. In 2003, FAO delivered \$211 million in emergency assistance to several countries,

including Iraq, Afghanistan, countries in the Great Lakes and southern Africa regions, Angola, and Sudan. FAO's emergency programs are funded almost entirely from voluntary donor contributions.

Of particular importance to the United States are internationally recognized standards for food safety and plant health developed by the joint FAO/World Health Organization (WHO) Codex Alimentarius Commission and the Interim Commission on Phytosanitary Measures (ICPM) of the International Plant Protection Convention. The work of these bodies aims to facilitate trade and protect consumers in developed and developing countries. The United States worked with other countries in the FAO policy-making bodies to ensure greater financial support from the overall FAO budget for Codex and ICPM. The United States also supported a management assessment of the FAO/WHO Codex Alimentarius Commission, with a view to improving the work of Codex and assuring adequate financial support.

The United States participated in the Inter-Governmental Working Group for the "Elaboration of Voluntary Guidelines to Support Member States' Efforts to Achieve the Progressive Realization of the Right to Adequate Food in the Context of National Food Security." The Working Group was established as a result of the World Food Summit: Five Years Later, which met in 2002. Although the United States had opposed creating the Group, it participated actively in the negotiations and serves on the Inter-Governmental Working Group Bureau. The United States emphasized the Voluntary Guidelines would be most useful if they focused on practical steps to achieve national food security and if they integrated government, non-governmental organization, and private sector efforts. The mandate for this exercise anticipates completion by September 2004.

FAO is funded through contributions of its members, based on the UN regular assessment scale, and from extra-budgetary activities carried out with other international organizations, financial institutions, and bilateral donors. In 2003, the U.S. assessment of 22 percent totaled \$72.5 million.

As of the end of 2003, FAO employed 3,897 staff, with almost equal numbers at FAO headquarters in Rome and in developing countries. FAO employed 1,057 staff in posts subject to geographic distribution, of which 136, or about 12.9 percent, were American citizens. FAO's hiring rate for Americans in 2003 (18.8 percent) reflected a noticeable improvement over previous years. Also, at the insistence of the United States, the FAO is developing an action plan to improve recruitment from non- and under-represented member nations and has been asked to report on the same in 2004. In 2003, U.S. citizens held the two senior positions of Deputy Director-General and Assistant Director-General.

International Atomic Energy Agency (IAEA)

The International Atomic Energy Agency (IAEA), established in 1957, serves core U.S. interests in national security, counter terrorism, and nuclear nonproliferation by implementing safeguards systems, programs for

physical protection of nuclear material, and nuclear safety programs. In 2003, IAEA membership included 137 countries. The 35-member Board of Governors, where the United States holds a *de facto* permanent seat, is responsible for directing and overseeing the Agency's policies and program implementation. The Board meets in Vienna five times, in March, June, twice in September, and November. The General Conference, attended by all members in September, carries out broad oversight of the IAEA's work by approving the recommendations and decisions of the Board. The fourth Director-General of the IAEA, Mohamed ElBaradei (Egypt), assumed office on December 1, 1997. He was elected to a second four-year term at the General Conference in September 2001.

Over the years, IAEA's nuclear safeguards responsibilities have steadily increased. Since 1985, the number of countries accepting IAEA's safeguards requirements has grown from 129 to 184. The IAEA's safeguards system was additionally strengthened in 1997 when the IAEA Board approved an additional protocol, providing the IAEA with more information about, and greater access to, nations' nuclear related activities, especially when implemented in a non-nuclear weapons state. The new safeguards measures called for in the Model Protocol, which provides the basis for each country's Additional Protocol, give the IAEA important tools to uncover clandestine nuclear activities. In 2003, the United States led the way in obtaining a budget increase for the IAEA safeguards inspection system to cover these added responsibilities.

In conjunction with U.S. leadership on safeguards development, U.S. preparations for ratification of its own Additional Protocol advanced significantly in 2003. A central goal of President Bush's nuclear non-proliferation policy was to promote universal adoption of the Model Protocol. The United States is the only nuclear weapon state to have accepted the Model Additional Protocol, providing a level of transparency in its peaceful nuclear program far greater than any other nuclear weapon state.

As the number of states acceding to IAEA safeguards has increased, the number and complexity of nuclear facilities subject to safeguards have also grown. Most states abide by their commitments to the IAEA and the Nuclear Non-Proliferation Treaty (NPT), but the IAEA safeguards system must also deal with those few who do not. Iraq, North Korea (DPRK), Iran, and Libya were named as violating their commitments and conducting clandestine activities to divert nuclear material.

In 2003, the United States led a coalition of countries to enforce a unanimous UN Security Council resolution (1441) that gave Iraq a final chance to come clean on its weapons of mass destruction. "Operation Iraqi Freedom" began on March 19. In June, the IAEA undertook an inspection at the Baghdad Yellowcake Storage Facility at the invitation of the Coalition Provisional Authority. The media reported looting in some areas of the Tuwaitha complex, and the IAEA acted pursuant to Iraq's NPT safeguards agreement with the IAEA. The IAEA reported that virtually all material

subject to safeguards had been fully accounted for; a miniscule amount of missing material posed no proliferation risk in light of the type and quantity of uranium compounds in question. By the end of 2003, Iraq was in a position to comply fully with its NPT obligations.

North Korea escalated its nuclear brinksmanship early in 2003, announcing its withdrawal from the NPT having expelled IAEA inspectors in December 2002. On February 12, 2003, the IAEA Board of Governors found the DPRK in further violation of its IAEA safeguards agreement and reported this noncompliance to the UN Security Council. The United States sought a peaceful and diplomatic resolution to the situation through Six-Party Talks with China, Japan, North Korea, South Korea, and Russia. Meanwhile, the IAEA continued to press for DPRK compliance with its safeguards agreement, and to prepare for inspections to support any diplomatic solution that might be achieved.

In Iran, the IAEA undertook an extensive investigation in response to public revelations in 2002 about clandestine Iranian nuclear activities. In 2003, the IAEA pursued safeguards questions raised by Iran's newly declared nuclear facilities, activities, and materials. In a September 2003 resolution, the IAEA Board of Governors required Iran to take a number of essential and urgent steps to provide cooperation and full transparency to allow the Agency to assure member states that Iran had not diverted nuclear material to weapons-related purposes. The United States worked intensively with other members of the IAEA Board of Governors to ensure an appropriate and effective response, reflecting strong U.S. concerns about Iran's past noncompliance and the international community's commitment to preserve and strengthen the NPT. As a result of the firm position taken by the Board and pressure from a number of key governments, Iran indicated a grudging willingness to settle the outstanding IAEA issues. The IAEA Board's November resolution stated that it considered it essential that Iran's declarations, submitted in October, amounted to the "correct, complete, and final picture" of Iran's past and present nuclear program. Since that time, however, Iran's declarations were demonstrated to be incomplete.

The November resolution also noted Iran's decision to conclude an Additional Protocol—which it signed on December 18—and urged Iran to move swiftly to ratify the Additional Protocol and to act as if the Protocol were already in force. It welcomed Iran's decision to suspend "all enrichment related and reprocessing activities." Finally, the resolution called for Iran's continued full cooperation with the IAEA and confirmed that should further serious Iranian failures come to light in the Director-General's reports, the IAEA Board would reconvene to consider "all options at its disposal," including a possible report to the UN Security Council. During the year, most of Iran's admissions were made only after the IAEA discovered discrepancies, and the IAEA's verification efforts were ongoing. On December 29, Iran informed the IAEA Secretariat of the scope of its suspension of enrichment and reprocessing activities, which fell far short of its original promise, and at the end of the year, it had made no moves to ratify the Additional Protocol.

In contrast, in the fall of 2003, Libya voluntarily disclosed an active nuclear weapons program in violation of its nuclear nonproliferation obligations. On December 19, after nine months of trilateral negotiations with the United States and the United Kingdom, Libya announced its intention to rid itself of materials, equipment, and facilities that could lead to a nuclear weapons capability. It agreed to abide by the Non-Proliferation Treaty and its IAEA safeguards agreement, and to accept the Additional Protocol. After this historic announcement, IAEA Director-General ElBaradei traveled to Tripoli to meet with Libyan leader Qadhafi and other senior officials on December 29 to “kickstart a process of verification” of Libya’s nuclear weapons program. During this visit, inspectors visited a number of previously undeclared sites, and Libya agreed to act as if the Additional Protocol were in force. The IAEA determined to begin more comprehensive verification work in January 2004.

The United States believes it is important that all NPT non-nuclear weapon states adopt the stronger safeguards provisions included in the Additional Protocol. As of December 2003, 79 states had signed the Additional Protocol, but only 38 had ratified and brought it into force. This number is expected to jump dramatically as the European Union nations are likely to bring their Protocols into force simultaneously in April 2004.

The United States continued to work closely with the IAEA and other IAEA member states to support the continued evolution of a technically sound and effective safeguards system, to improve the effectiveness of the IAEA in ferreting out violators of safeguards commitments, and to ensure that the IAEA had the financial and human resources needed to accomplish these goals. The “Integrated Safeguards System,” which combined the new Additional Protocol measures with those of traditional safeguards on declared facilities, moved from conceptual development to practical implementation. The IAEA also moved to strengthen safeguards at uranium conversion facilities and centrifuge plants and completed the installation of a new generation of highly reliable digital surveillance systems.

The IAEA continued to provide guidance, technical support, and training programs in the prevention of nuclear terrorism in 2003. The United States is a primary supporter of the IAEA training programs in physical protection and nuclear security, having developed the training curricula and presented the courses and workshops on behalf of the Agency in many countries, including Armenia, the Czech Republic, and South Africa. While teaching the principles and techniques of physical protection, illicit trafficking, and other subject areas, these courses do not reveal operational data and are carefully screened to ensure that they do not contain classified, export-controlled, or other sensitive information that could be of potential use to terrorists.

Under the IAEA’s Nuclear Security Action Plan, the Agency accelerated its activities to deter, prevent, and respond to illicit activities involving nuclear and other radiological materials and facilities. Activities included the development of standards, guidelines and recommendations, and

the provision of training, expertise, and advisory services to any states requesting assistance. As of December 2003, 22 member states and one nongovernmental organization had pledged \$27.4 million to the Nuclear Security Action Plan. The United States had pledged nearly \$19 million of this total, an increase of over \$10 million from 2002, and continued to encourage member states to recognize that all nations face the threat of nuclear terrorism and would benefit from the assistance provided by the Agency.

In recent years, the IAEA implemented activities to prevent nuclear terrorism by increasing the number of missions undertaken by the International Physical Protection Advisory Service (IPPAS), a multi-national team of physical protection experts who provide an assessment of the regulatory framework and protection of nuclear materials in a country. A strong backer of the IPPAS in 2003, the United States participated in IPPAS missions to Armenia, Chile, Mexico, Norway, Peru, Turkey, and Ukraine.

In 2003, the IAEA also created a new and more encompassing International Nuclear Security Advisory Service (INSServ) to help states evaluate and strengthen their overall nuclear security posture to include radioactive sources and border controls. INSServ teams utilized IAEA guidance documents to assist states in developing plans and programs that are effective, efficient, and consistent with internationally recognized guidance and practices. The IAEA, supported by experts from member states, has conducted INSServ missions to Azerbaijan, the Democratic Republic of the Congo, the Philippines, Tanzania, Uganda, and Uzbekistan. These missions helped increase protection of research reactors and radiological sources and recommended improvement in the control of radioactive material seized by law enforcement authorities.

The IAEA Board of Governors made substantial strides in the security of radioactive sources such as research reactors when it approved the revised Code of Conduct on the Safety and Security of Radioactive Sources in September. The United States supported the IAEA's Model Project, which promoted the development of domestic infrastructures for the long-term management of radioactive sources and efforts through the Nuclear Security Action Plan to consolidate and protect vulnerable and orphan sources. At the IAEA's International Conference on Security of Radioactive Sources in March, U.S. Energy Secretary Spencer Abraham unveiled a new Radiological Security Partnership (RSP). In cooperation with the IAEA's Office of Nuclear Security, the RSP will help countries accelerate national initiatives to track high-risk radioactive sources; expand efforts to countries both inside and outside the former Soviet Union, with an emphasis on enhancing the security of high-risk vulnerable sources; and improve efforts to interdict illicit trafficking and shipping hubs.

The United States also continued to play a key role in the effort to amend the Convention on the Physical Protection of Nuclear Material and Facilities (CPPNM). This amendment would expand the Convention's scope to address the physical protection of nuclear materials in domestic use, storage

and transport, and the protection of nuclear facilities from sabotage. The drafting group, which included the United States, convened by the IAEA Director-General finished its work in March with a set of possible amendments to the CPPNM. States party to the Convention consulted each other to prepare a revision proposal from this set.

Finally, the IAEA continued its leadership role in strengthening international nuclear safety practices and standards. The IAEA Department of Nuclear Safety and Security formulates and implements the IAEA's program on nuclear safety to fulfill statutory requirements, in cooperation with other departments within the IAEA, including the Department of Technical Cooperation (TC Department). As is the case with other IAEA programs, the United States was an active participant in and supporter of efforts to enhance nuclear safety in all member states. During 2003, the United States allocated funds for priority nuclear safety-related projects. These projects included upgrading the Regulatory Authority Information System, which addresses states' need for a radioactive source inventory management system, and the formation of the IAEA International Expert Group on Nuclear Liability. This group will promote a global civil nuclear liability regime based on conventions adopted in 1997 (i.e., the Convention on Supplementary Compensation for Nuclear Damage and the Revised Vienna Convention), which will help member states develop and strengthen their national nuclear legal frameworks.

The United States continued to recognize the need for a robust international response system for radiological emergencies, including procedures and hardware in place to address accidents and malicious uses of radioactive materials, providing \$200,000 for this purpose.

The IAEA remained active throughout 2003 in fostering international cooperation for the peaceful uses of nuclear technologies and works "to accelerate and enlarge the contribution of atomic energy to peace, health, and prosperity throughout the world." The IAEA implemented a broad program of technical cooperation with over 90 of its member states. This program was designed to complement and promote the development objectives in recipient states, with particular attention to the least developed countries. Through projects in the areas of medical applications, agriculture, basic industry, hydrology, and the environment, the IAEA sought to expand the contribution of nuclear applications to the quality of human life worldwide.

As in previous years, the IAEA continued to face expanding safeguards requirements, due to the increasing numbers of facilities and the need to effectively implement its strengthened mandate. In 2003, the United States led a successful effort to address the shortfall between the growing resources required to implement safeguards program and the flat resources available in the regular budget. In July, the IAEA Board of Governors approved a significant real increase in the safeguards budget for the first time in two decades. It approved a \$25.1 million real increase in the Agency's overall budget, to be phased in over four years (2004–2007). The bulk of this increase (\$19.4 million) will go to safeguards. This increase is front-loaded—

in 2004, \$11.1 million will be allocated to safeguards—in order to meet the most urgent needs, particularly for staff, in the first year. To achieve this result, high-level U.S. officials repeatedly pressed other IAEA member states to support such an increase.

The IAEA regular budget for 2003 was \$249 million, of which \$242 million was assessed to member states. The United States was assessed approximately 25.8 percent of this amount, about \$62.5 million. The United States remained the largest single contributor of voluntary support to the IAEA, contributing \$53 million to support the Technical Cooperation Fund, technical assistance to safeguards, cost-free experts, in-country technical projects, U.S.-hosted training courses and fellowships, as well as nuclear safety and security projects. The IAEA is highly dependent on extra-budgetary funding for many activities, particularly research and development and equipment. In 2003, the IAEA received over \$20.9 million in extra budgetary funds for safeguards, representing roughly 18.7 percent of safeguards program funds.

In recent years, the United States has been disappointed by the decline in U.S. representation in the IAEA Secretariat. The United States worked to inform potential candidates in the academic community, private sector, and federal agencies about employment opportunities and benefits in the IAEA. Some limited progress was made, as the United States gained seven new positions in 2003. Americans held 92 of the 746 positions that are subject to its geographical distribution guidelines, or 12.3 percent. The United States will continue to work with the IAEA to increase U.S. representation in the Agency to appropriate levels.

International Civil Aviation Organization (ICAO)

Established in 1944 and designated a UN specialized technical agency in 1947, the International Civil Aviation Organization (ICAO) fosters the safe and orderly growth of international civil aviation. It sets international standards and recommended practices for civil aviation, and offers technical assistance to enhance aviation safety and security worldwide. The United States strongly supports the work of ICAO.

ICAO has 188 members. The United States has consistently been elected to the ICAO Council, which increased from 33 to 36 seats in November 2002. The ICAO Council elected Dr. Taïeb Chérif (Algeria) as the new Secretary-General for a three-year term, beginning August 1, 2003. Dr. Assad Kotaite (Lebanon) continues as President of the Council of ICAO, a post he has held since 1976.

Following the September 11, 2001, terrorist attacks in the United States, ICAO developed an “Aviation Security Plan of Action” to strengthen aviation security worldwide. The plan adopted various U.S. proposals to enhance security, including hardened cockpit doors, new flight crew procedures, and the establishment of a program to audit states’ compliance with ICAO security standards. To assist in implementation, ICAO developed

in 2003 seven aviation security-training packages and a global network of 10 aviation security-training centers. ICAO also established a voluntary funding mechanism to support the Universal Security Audit Program and to assist countries in aviation security implementation and cooperation. In 2003, ICAO conducted security audits in 20 countries. It plans to audit another 40 countries in 2004.

Also in 2003, ICAO announced a global, harmonized blueprint for the integration of biometric identification information into passports, visas, and other Machine Readable Travel Documents (MRTDs). The increased use of biometric-enhanced MRTDs will lead to speedier passage of travelers through airport controls, heightened aviation security, and added protection against identity theft. The Technical Advisory Group on Machine Readable Travel Documents (TAG-MRTD) selected facial recognition as the globally interoperable biometric. This choice will make possible rapid comparison, either one-to-one verification with the person and document, or identification of a bearer against a watch list. ICAO also selected high-capacity integrated circuit chips to store identification information in MRTDs. The ICAO blueprint, set out in technical reports and specifications, will help all 188 member states implement a worldwide, standardized system to verify the identity of travelers.

The TAG-MRTD also adopted a set of recommended practices on passport issuance security as an informative annex to the global standards. This paper was adopted as a template for improving document security with the Organization for Security and Cooperation in Europe and other individual governments committed to comply with it by December 2004. Adhering to the practices will make it much more difficult for persons not so entitled to obtain a passport.

The Montreal Convention of 1999 came into force on November 4, 2003, after the United States became the 30th state to deposit an instrument of ratification on September 5. The Montreal Convention replaced the antiquated 1929 Warsaw Convention System on compensation in cases of international air accidents. The new Convention consolidated the 75-year-old system of international instruments of private international law into one legal instrument. The Montreal Convention eliminated arbitrary limitations on airline liability in the event of death or bodily injury of a passenger. It also expands in most cases the basis for jurisdiction of claims, enabling lawsuits on behalf of U.S. accident victims abroad to be filed in the United States.

Regarding air navigation, ICAO's 11th Air Navigation Conference in October endorsed an operational concept for the development of a globally harmonized and seamless air navigation system that will enhance aviation safety, reduce airport and airspace congestion, improve passenger convenience in terms of fewer delays and shorter flight times, and lessen the impact of aviation on the environment. Implementation over the next 25 years and beyond will ensure optimum efficiency of the global air traffic management system. This development will prove essential as demand for airspace

capacity increases in the coming years, with expected continued recovery and growth in the air transport industry. ICAO's 2003 forecast predicted that world airline passenger traffic would grow by 4.4 percent in 2004 and 6.3 percent in 2005, with long-term growth at an average annual rate of around 4 percent.

A strong global consensus framework for the economic liberalization of the air transportation industry emerged from ICAO's Worldwide Air Transport Conference: "Challenges and Opportunities of Liberalization" held in March. Some 800 participants from 145 ICAO Contracting States and 29 organizations concluded the Conference by approving by acclamation a Declaration of Global Principles. On the central question of air carrier ownership and control, the Conference recommended that air carrier designation and authorization for market access be liberalized, at each country's pace and discretion. (Note: Designation means that an airline is allowed to fly on certain routes; authorization means an airline is authorized to do business in certain markets. An airline can be authorized but may not have a route or gate slot.) Countries may take positive approaches to accept designated foreign carriers that might not meet either traditional national ownership and control criteria or the criteria of "principal place of business and effective regulatory control." The Conference also agreed that states should consider liberalizing the regulatory treatment of international air cargo operations on an accelerated basis.

ICAO developed a set of protective measures for use at international airports to prevent the spread of Severe Acute Respiratory Syndrome (SARS) based on guidelines of the World Health Organization. These measures are aimed at dealing effectively with other contagious diseases. The measures consist of specific procedures for screening passengers at departure and on arrival and also for screening airport workers. ICAO developed guidance on handling suspected SARS cases on board aircraft and at destination. Upon request, ICAO can make available a team of experts to evaluate the implementation by airports of the recommended measures, through the organization's Technical Cooperation Bureau. If such an evaluation confirms that an airport has taken all necessary steps to protect against SARS, a "Statement of Evaluation" will be issued, certifying that the airport fully complies with recommended protective measures.

The Convention on International Interest in Mobile Equipment and its Protocol on Aircraft, which were adopted on November 16, 2001, at a Diplomatic Conference in Cape Town, South Africa, came into force in December. The Convention and Protocol provide for an international registration system for aircraft to reduce the risk associated with aircraft sales. The system would clarify and strengthen the rights of parties who have an interest in the equipment (such as owners of the aircraft, financiers of aircraft construction, and lien holders), and lower the cost of financing, which should allow for lower interest rates and more sales. The United States supported the Convention, but had not signed it by the end of the year.

ICAO assessments are based on both economic factors and relative importance in civil aviation, as measured by mileage flown, with a maximum rate of 25 percent. Member assessments for the 2003 ICAO budget totaled \$50.5 million. The U.S. share in 2003 was \$12.6 million, or 25 percent of the assessed budget. In 2003, the U.S. Government provided \$1.7 million in voluntary financial contributions.

U.S. citizens were under-represented at ICAO in 2003, with Americans occupying only 11 of 208 (5.3 percent) professional positions. In addition, several U.S. experts worked on detail on the ICAO staff, including in the area of aviation security programs. At the end of 2003, ICAO employed a total of 739 staff.

International Fund for Agricultural Development (IFAD)

The International Fund for Agricultural Development (IFAD) was established in 1977 as an outcome of the 1974 World Food Conference. It is a multilateral financial institution that promotes rural agricultural development in poorer countries. Nearly 75 percent of the world's 1.2 billion poorest people live in rural areas, largely as small-scale producers and subsistence farmers. IFAD's specific mandate is to increase their productivity and incomes, improve their nutritional levels, and help integrate them into larger markets by designing and funding innovative and appropriately scaled programs. Programs include rural institution building (such as farmers' cooperatives and women's associations) and micro-financing projects. IFAD's management submits proposals to the Executive Board. The Board has full authority to decide on its program of work, approve projects, programs, and grants, and to adopt or recommend action, pending the final approval of the Governing Council. IFAD is the only multilateral development bank (MDB) that devotes all its resources to combating rural poverty.

The Fund's highest authority is the Governing Council, on which all 163 member countries are represented. The Executive Board, which has 18 members (including the United States), is responsible for the conduct of general operations of the Fund. The President, who is elected by the Council, is the Fund's chief executive officer. Lennart Båge (Sweden), the current President and the first President from a developed country, was elected in February 2001. His term expires in 2005.

The United States is IFAD's largest shareholder, with 9 percent of the Governing Council votes, followed by Saudi Arabia with 5.27 percent, Japan with 4.15 percent, Germany with 4 percent, and France with 3.11 percent.

To date, IFAD has financed over 653 projects in 116 countries for total commitments of approximately \$8.1 billion. These projects usually address such needs as agriculture and livestock development, micro-enterprise and rural finance, natural resource management, local capacity building, and gender mainstreaming.

Specialized Agencies and Other Bodies

Commitments for new projects in 2003 totaled \$404 million for 25 loans averaging approximately \$16.16 million each. Examples of recent loans to governments designed to increase growth, improve productivity, and reduce poverty through a variety of means include:

- A \$7.3 million loan to Turkey to help increase agricultural productivity and income levels, expand rural employment opportunities, strengthen institutions directly related to the rural poor, and improve living conditions of the poor, especially women.
- A \$21.7 million loan to Pakistan for diversifying rural household economies that are dependent on forestry and agriculture, strengthening community organizations, and developing a savings and credit system to promote sustainable income-generating activities and micro enterprises.
- A \$15.5 million loan to Cambodia to reduce poverty among 120,600 households through intensified and diversified crop and livestock production and to strengthen local community groups and other service providers for the rural poor.
- A \$10.7 million loan to Sierra Leone for post-conflict reconstruction in areas hardest hit by the war. The project aimed to improve the livelihoods of the most vulnerable rural households, especially those headed by women.
- A \$30 million loan to Guatemala to reduce poverty levels and address discrimination suffered by the poorest indigenous and non-indigenous groups by focusing on local participation, enhancing market and rural businesses, improving rural technical services, and strengthening the institutional capacity of the Ministry of Agriculture, Livestock and Nutrition.

At the request of the U.S. Agency for International Development, the Treasury Department assumed lead agency responsibility for IFAD in February 2000. In December 2002, the Treasury Department concluded negotiations on IFAD's Sixth Replenishment (IFAD-6), which covers 2004–2006. The target level for donor contributions to the Sixth Replenishment was set at \$560 million. With its pledge of \$45 million, the United States is the largest contributor to IFAD-6.

At IFAD-6, the United States achieved key policy reform objectives consistent with the Administration's overall goal of improving MDB performance:

- **Performance-Based Allocation:** In 2003, the Board approved a performance-based allocation system framework and methodology. Countries with sound policy frameworks for rural poverty reduction and good governance can receive resource allocations in line with their demonstrated ability to use the resources effectively. Higher performing countries will receive higher allocations than lower performers.
- **Results Measurement:** In December 2003, the Board approved a framework for measuring and quantifying the results and impacts of its

projects. Guidelines identify lessons learned and aggregate results by major categories of projects across the organization, to be reported to the Board on an annual basis, commencing in April 2005.

- **Grants:** The Board approved in December a new policy paper proposing to raise grants to 10 percent of IFAD's total annual work program, beginning in 2004. Grants will be required to meet the same standards as loans for results measurement and evaluation.
- **Independent Evaluation Office:** The Board approved a new Evaluation Policy in April 2003 to establish an independent evaluation office. The Office of Evaluation (OE) is accountable directly to the Executive Board. The OE head can be appointed and dismissed only with Board approval. The Office will provide all evaluation reports directly to the Board without clearance by management.
- **External Evaluation of IFAD:** In 2003, the Board approved the terms of reference for an outside firm to do an independent evaluation of IFAD's effectiveness in achieving its objectives. With financial support provided by the IFAD budget and special contributions from donors, the OE launched international competitive bidding and selected a service provider to do the evaluation of bids. Work will begin in early 2004.
- **Private Sector Strategy:** The Board began work in 2003 on a strategy for achieving greater involvement of the private sector in IFAD programs, through co-financing and other forms of partnership consistent with IFAD's mission.
- **MDB Coordination:** The Board expanded the scope of its partnership-building initiatives. In 2003, IFAD and the Inter-American Development Bank signed a memorandum of understanding to create a Multi-Donor Program for the Eradication of Rural Poverty in Latin America and the Caribbean. The strategic objectives were to develop joint initiatives, share knowledge on innovations, promote the transfer of appropriate technology, catalyze rural investment, and monitor and assess progress.

The U.S. contribution to IFAD in 2003 totaled \$14.9 million. At the end of 2003, IFAD had a staff of 335, of which 21 were U.S. citizens.

International Labor Organization (ILO)

The International Labor Organization (ILO), founded in 1919, is the oldest UN specialized agency. Based in Geneva, Switzerland, the ILO has 177 member states. Juan Somavia (Chile) was elected Director-General of the International Labor Office in 1998 and re-elected to a second five-year term that begins in March 2004. Representatives of workers' and employers' organizations participate on an equal basis with government representatives on the Governing Body, the ILO's executive board, and at the annual International Labor Conference (ILC), the ILO's legislative body.

As one of the 10 countries of "chief industrial importance," the United States has a permanent government seat on the ILO's 56-member

Governing Body. In addition, a U.S. worker representative (from the AFL-CIO) and a U.S. employer representative (from the U.S. Council for International Business) each consistently win election to seats on the Governing Body. They speak and vote independently of the U.S. Government.

The ILO's activities and programs serve U.S. interests by aiming to increase global respect for democracy and human rights. The ILO has helped advance priority issues in the areas of forced labor, post-September 11 security concerns, child labor, child soldiers, HIV/AIDS, and technical assistance for key countries and regions such as Iraq, Afghanistan, the Middle East, and China.

The ILO focuses international attention on serious abuses of basic worker rights and strives for elimination of those abuses. For example, the ILO continued its efforts to achieve the elimination of forced labor in Burma, which an ILO Commission of Inquiry found to be "widespread and systematic." In addition, the Governing Body's Committee on Freedom of Association (CFA) in 2003 cited Belarus, Burma, China, Colombia, Cuba, Venezuela, and Zimbabwe for violations of trade union rights and the principle of freedom of association.

As part of the response to the terrorist attacks of September 11, 2001, the United States led efforts at the ILO to develop standards for modern, new security features in seafarers' identity documentation. The ILO expedited the drafting and adopting of new standards at the June 2003 International Labor Conference on Convention 185, revising the Seafarers' Identity Documents Convention adopted in 1958.

The ILO plays a key role in combating exploitative child labor worldwide. At the June 2003 International Labor Conference (ILC), Secretary of Labor Elaine Chao highlighted the partnership between the United States and the ILO in addressing the problem of child labor. Since 1995, the U.S. Department of Labor has contributed more than \$200 million to the ILO's International Program for the Elimination of Child Labor, including \$7 million in 2003 for the prevention and rehabilitation of child soldiers.

Since 2000, the Department of Labor has also provided more than \$80 million to the ILO to fund technical cooperation projects and activities in the areas of improved economic opportunities for workers, basic labor protections, social safety net policies and programs, industrial relations and workplace-based prevention and education programs on HIV/AIDS. In her address to the 2003 ILC, Secretary Chao noted that the Labor Department was expanding its partnership with the ILO on HIV/AIDS in the workplace.

The ILO had technical assistance programs in place or under development in several areas of vital concern to the United States in 2003. The ILO engaged Iraqi labor officials in discussions about possible assistance in redrafting Iraq's labor code, enhancing the capabilities of the reformed Iraqi Ministry of Labor and Social Affairs, and expanding and strengthening employment services. The ILO also spearheaded technical cooperation

programs in Afghanistan, the West Bank, and the Gaza Strip aimed at boosting employment, and provided assistance and advice to Gulf Cooperation Council states on improving the legal protection of workers. In China, the ILO sponsored anti-trafficking programs and began to explore with Chinese officials cooperation in eliminating forced labor.

In 2003, the ILO's regular budget was about \$295.3 million. The U.S. assessment for the ILO was approximately \$63 million.

The ILO had 674 posts subject to geographic distribution in 2003, 97 of which were held by American citizens (14.4 percent compared with 14.9 percent in 2002, a decline).

International Maritime Organization (IMO)

The United States strongly supports the work of the International Maritime Organization (IMO). The IMO's principal objectives are to foster international cooperation on technical matters affecting international shipping and to achieve the highest practicable standards for maritime safety and security. The IMO develops conventions and treaties on international shipping, facilitates international maritime trade, and provides technical assistance in maritime matters to developing countries. It also develops standards and practices to protect against oil spills and pollution from hazardous and noxious cargo and ship waste, ballast, and emissions.

The IMO Assembly and Council govern the IMO. The United States has been elected to the 40-member Council ever since the creation of the IMO in 1948 and was re-elected in December to an additional two-year term. In December, the Assembly confirmed the appointment of Efthimios Mitropoulos (Greece) as the new Secretary-General of the IMO for an initial term of four years. Kiribati joined IMO in 2003, bringing its total membership to 163 full members and three associate members (Hong Kong, Macao, and as of 2003, the Faroe Islands).

At U.S. urging, maritime security moved to the top of IMO's agenda following the September 11, 2001, terrorist attacks on the United States. In 2002, the IMO approved amendments to the International Convention for the Safety of Life at Sea (SOLAS) to enhance maritime security and a complementary International Ship and Port Facility Security (ISPS) Code. The United States proposed most of the adopted amendments, which parallel U.S. domestic maritime security regulations that were finalized in 2003. Also at the urging of the United States, the IMO accelerated the timetable for the installation of shipboard automatic identification systems that will aid in identifying ships bound for the United States.

The SOLAS and ISPS amendments will require ships and port facilities to develop and maintain security plans and to designate security officers to ensure that the plans are fully implemented. These amendments will require ships to carry documents on their recent activities, ownership, and control. Finally, they mandate a ship-to-shore system to alert authorities to security incidents. Most significantly, the IMO standards enable port states to

verify that ships comply with IMO security regulations and to take appropriate measures in response to any deficiencies found, including the denial of port entry. As a port state, the United States will begin to use this authority in 2004 to enhance its maritime security. The SOLAS amendments and the ISPS Code will enter into force on July 1, 2004. The IMO established a trust fund to provide technical assistance to countries on maritime security. In 2003, the United States contributed \$100,000 to the fund.

The sinking of the tanker *Prestige* off the coast of Spain in November 2002 continued to bring renewed calls for more IMO action on the issue of oil tanker safety. These concerns prompted a December 2003 IMO Marine Environment Protection Committee (MEPC) decision for a revised, accelerated phase-out plan for single hull tankers under the International Convention for the Prevention of Pollution by Ships (MARPOL). The plan would take effect as early as 2005 for older tankers, along with other measures including an extended application of the Condition Assessment Scheme for tankers, and a new regulation banning the carriage of Heavy Grade Oil in single-hull tankers in certain circumstances. Members expect the amendments to enter into force on April 5, 2005. Although the MARPOL regime is now much more closely aligned to the U.S. phase-out schedule contained in the U.S. Oil Pollution Act of 1990 (OPA 90), the United States reserved its position on the revisions because important differences remained between these MARPOL regulations and OPA 90.

Also in response to the *Prestige* incident, IMO in 2003 adopted new guidelines on places of refuge for ships in need of assistance. The guidelines recognize that, when a ship has experienced a problem, the best way of preventing damage or pollution from its progressive deterioration is to transfer its cargo and bunkers and to repair the casualty in a place of refuge. A second resolution recommended that all coastal states should establish a maritime assistance service.

The *Prestige* incident had previously led the 49th session of the MEPC in July to adopt a proposal by several key European countries to designate in principle the waters off Western Europe as a Particularly Sensitive Sea Area (PSSA). To protect this PSSA, the European countries indicated they would propose a mandatory ship-reporting scheme for certain vessels that transit the area. These proposals continued to generate significant discussion at IMO regarding the impact of PSSAs on traditional freedoms of navigation and consistency with the Law of the Sea Convention.

The MEPC in July also agreed on a final draft of the proposed International Convention for the Control and Management of Ships' Ballast Water and Sediments. IMO will hold a diplomatic conference February 9–13, 2004, to refine and consider adoption of the Convention. The problem of harmful aquatic organisms in ballast water is largely due to expanded trade and traffic volume over the last few decades. The effects in many areas of the world have been devastating. Quantitative data show the rate of bio-invasions continues to increase at an alarming rate, in many cases exponentially, and

new areas are being invaded continuously. It is estimated that about 10 billion tons of ballast water are transferred globally each year, potentially shifting from one location to another species of sea life that may prove ecologically harmful when released into a non-native environment. The Convention will establish global maritime standards for ballast water discharges and associated ballast water management practices to control the introduction of aquatic invasive species. Special requirements may also apply in certain areas. The Convention will preserve the rights of Contracting Parties, including the United States, to take more stringent measures as a condition of port entry when necessary.

The Assembly met in December 2003 and adopted Guidelines on Ship Recycling, which provide advice to all stakeholders in the recycling process, including the administration of shipbuilding and maritime equipment-supplying countries. The guidelines noted that the process of recycling ships makes a positive contribution to the global conservation of energy and resources and employs a large, if predominantly unskilled, workforce. However, the guidelines recognized that working practices and environmental standards often leave much to be desired. The United States supports further development of the guidelines.

The Assembly, strongly urged by the United States, approved the establishment and further development of an audit plan to assess countries' effectiveness in implementing IMO global shipping standards. The proposed IMO Member State Audit Scheme will be designed to help promote maritime safety, security, and environmental protection by assessing how effectively member states implement and enforce relevant IMO Convention standards and by providing them with feedback and advice on their current performance. The audits will initially be voluntary, but are expected ultimately to become mandatory.

Assessments to IMO are based chiefly on registered shipping tonnage. Major open-registry countries (those that register vessels but do not necessarily own them) are among the largest contributors. Panama, Liberia, Cyprus, and the Bahamas are some of the major open registry states that pay large IMO assessments. The United States paid about \$1.3 million of IMO's \$35 million budget in 2003.

At the end of 2003, U.S. citizens held four of the 88 professional staff positions.

International Telecommunication Union (ITU)

Established in 1865 as the International Telegraph Union, the International Telecommunication Union (ITU) serves as a forum for governments and the private sector to facilitate the operation of international telecommunication networks and services. There are presently 189 member states and 730 private-sector members. Yoshio Utsumi (Japan), in his second four-year term, is Secretary-General. In October 2003, the Geneva-based ITU held an unprecedented special session to adopt a revised biennial budget

(2004–2005) and to continue a yearlong review of ITU finances—specifically its management and budget processes and the financing of the World Summit on the Information Society (WSIS), which began at the ITU’s 2002 Plenipotentiary Conference. The United States supported this review. In December, the ITU held Phase I of WSIS in Geneva. Phase II of the Summit is scheduled to take place in Tunis, Tunisia, in November 2005.

The 46-member ITU Council, which includes the United States, is elected at plenipotentiary conferences, and is comprised of representatives from five regions—the Americas, Western Europe, Eastern Europe, Africa, and Asia. The Council meets annually between plenipotentiary conferences to address management and other issues. The 2003 regular session of the ITU Council had concluded on May 16 without adopting the budget for 2004–2005. The United States and other Council members expressed serious concerns about the lack of clarity and detail in budget documents submitted by the ITU Secretariat and about the sources of financing for the December WSIS. The ITU Council subsequently created a Council Oversight Group (COG) to work with the Secretary-General and other elected officials to develop a budget that might be accepted at the October special session of the Council. In addition, a Group of Specialists (GOS) under U.S. leadership continued to work to implement a series of recommendations it had made on management of the Union. These efforts were combined in a proposal to the October special session that the newly revised biennial budget be adopted on a conditional basis and that an external consultant be hired to make recommendations regarding, among other things, the budget processes and staffing of the ITU.

During the October meeting, Council members raised questions about proposed ITU staff reductions, the apparent decline in revenue from ITU’s Satellite Network filing cost recovery program, the effect of inflation and exchange rate fluctuations, the long-term impact of WSIS on the ITU budget, and the terms of reference and cost of the proposed external consultant. In the end, Council members adopted the 2004–2005 budget as well as the recommendations for an external consultant.

Three preparatory committee (PrepCom) meetings and the December WSIS itself absorbed a large amount of the ITU’s staff time and funding in 2003. Determined to complete a “Declaration of Principles” and “Plan of Action” agreed to by all 176 participating countries by the beginning of the Summit, the ITU found it necessary to convene additional meetings in order to help delegates overcome deep differences over sensitive issues such as “Internet governance,” intellectual property rights protection, human rights, and freedom of expression. Delegates reached consensus on both documents on the eve of the Summit.

WSIS proved to be the largest UN summit ever held, with over 11,000 participants from 176 countries and participation from the private sector, civil society, the media, and international organizations. Approximately 50 heads of state and government in attendance participated in

the plenary sessions, high-level roundtables, and other events. Exhibitors showcased projects from around the world that showed the use of information technology to advance economic and social development goals. Dr. John Marburger, science advisor and Director of the Office of Science and Technology Policy for the President, delivered the U.S. policy address to the third plenary session on December 11. The Summit documents generally reflected U.S. positions on key issues such as press freedom, freedom of expression, and the importance of intellectual property protection. However, the Summit also left open the door to further study of “Internet governance” and funding assistance for information and communication technology development in developing countries.

The United States has interests in all areas of ITU endeavor. The U.S. private sector is notably engaged in the Standardization and Radiocommunication Sectors. The standardization activities of the ITU are indispensable to U.S. governmental and commercial interests to ensure worldwide compatibility and interoperability of global networks. The Radiocommunication Sector’s World Radiocommunication Conferences (WRCs), treaty-level meetings that occur every two to three years, are central to U.S. national security and commercial interests. These conferences allocate scarce resources, such as frequency bands and orbital slots, to member states, which in turn make decisions with respect to their use for radio and other services. The 2003 WRC established the global technical, operational, and regulatory guidelines for the use of frequency spectrum and satellite orbits to enable newly emerging radio services to commence efficiently, economically, and without disruption to existing services.

Unlike most other UN agencies, the ITU is funded by a system of contributory units (CU) rather than assessed contributions. The U.S. contribution to the ITU in 2003 totaled \$9.5 million.

U.S. citizens occupied 17 out of 292 ITU professional posts in 2003. Given the pre-eminence of the U.S. telecommunication industry worldwide, this relatively low representation is of concern.

International Trade Center

The mission of the International Trade Center (ITC) is to boost the trading capacity of developing countries and economies in transition. Headquartered in Geneva, it works closely with its parent organizations, the World Trade Organization (WTO) and the UN Conference on Trade and Development (UNCTAD), to provide trade-related technical assistance to governments and private sector entities in areas that range from product and market development to trade support services, human resource development, supply management, and trade promotion. It helps developing countries’ governments and businesses understand WTO rules and processes, and is the sole UN agency dedicated to helping small firms improve their export capacity. Its main clients are small and medium-sized enterprises of developing and transition economies.

In 2003, ITC held a series of eight regional consultations during the run-up to the WTO's Cancun meeting, which took place in September. Approximately 600 senior business executives, key government officials, and trade negotiators from over 100 countries participated in this series. By bringing together developing country government and business leaders, the ITC strengthens business engagement and advocacy on trade issues. ITC also provided support to small-scale enterprises that seek to boost their exports. For example, in 2003, it helped a Bolivian entrepreneur export \$1.5 million in high-priced beans to Brazil and Japan, creating employment for 1,000 families of growers. It also helped form three joint ventures between Gambian fishery companies and a Belgian trader, which resulted in exports worth more than \$200,000.

In 2003, the United States provided a \$500,000 voluntary contribution to ITC to support its TradeMap project, which is intended to promote realistic marketing strategies and to boost trade. The United States also supports other ITC programs, such as the World Trade Net Program and its Joint Integrated Technical Assistance Program, which is focused on a select group of low income and African states.

In 2003, ITC's budget totaled approximately \$42 million. Half of the budget was paid by the WTO and half by UNCTAD. The total U.S. assessment was approximately \$9.2 million.

In 2003 the ITC had 176 staff, of which seven are U.S. citizens, and employs 620 consultants.

UN Educational, Scientific, and Cultural Organization (UNESCO)

The United States rejoined the UN Educational, Scientific, and Cultural Organization (UNESCO) on October 1, 2003. UNESCO was established in 1945 with the primary objective of contributing to peace and security worldwide. By promoting collaboration among nations, UNESCO strives to further universal respect for justice, the rule of law, human rights, and fundamental freedoms. Priority programs foster and defend the free flow of ideas and open access to education for all; build understanding of democratic principles and practice; promote scientific knowledge; and protect the cultural and natural heritage of humankind. The organization's total membership grew from 188 to 190 sovereign states in 2003, with the addition of East Timor and the United States. UNESCO is headquartered in Paris, and has been led since 1999 by Director-General Koichiro Matsuura (Japan).

A U.S. delegation attended the UNESCO Executive Board Session in Paris on April 6–16 as an observer state. The Board approved by consensus a recommendation for a one-time increase of the biennial budget from \$544 million to \$610 million for 2004–2005. The Board also decided to recommend that the General Conference continue to draw up an international standard-setting instrument on cultural diversity; adopted significant reforms of the organization's working methods, in particular discontinuing subsistence

allowances during the Executive Board sessions for representatives and alternate representatives residing in Paris; established a working group of experts to evaluate ways of improving the functioning of UNESCO's main bodies; agreed to sponsor inter-governmental meetings to draft a convention against doping in sports; and reached consensus on scales of assessment. Director-General Matsuura made a series of statements calling for UNESCO to play an appropriate role in Iraq within its specific, nonpolitical areas of competence.

In July, the Executive Council of the International Oceanographic Commission (IOC) of UNESCO re-elected the United States. In the secret ballot election, however, the United States won by only one vote, despite the fact that even as an Observer to UNESCO, the United States was the IOC's biggest financial contributor.

The United States returned to permanent delegation status at UNESCO on October 1. On September 29, the First Lady addressed the UNESCO General Conference, expressing America's commitment to the objectives of the organization. She stressed that UNESCO's highest priority should be education, specifying four areas of focus: 1) literacy, 2) quality education, 3) post-conflict education, and 4) HIV/AIDS education. Mrs. Bush also presided over the U.S. flag-raising ceremony at UNESCO. According to the Director-General, the organization took a "decisive step towards universality" with the return of the United States. The United States received a warm reception from delegates and the UNESCO secretariat staff.

The United States, with the First Lady, and subsequently Secretary of Education Rod Paige as head of delegation, participated in the 32nd General Conference of UNESCO that met in Paris from September 29–October 17. More than 4,000 participants from 190 nations attended this biennial conference, including five heads of state, and more than 300 government ministers.

The General Conference approved UNESCO's Program and Budget for 2004–2005, which contained five priority themes: 1) basic education for all, 2) freshwater resources and ecosystems, 3) science and technology ethics, 4) cultural diversity and intercultural dialogue promotion, and 5) universal access to information. The Director-General proposed this budget, which, because of the U.S. return to membership, included real-growth increases from \$544 million for the 2002–2003 biennium to \$610 million. Because the United States rejoined UNESCO on October 1 of the year, it only owed approximately \$15 million in assessed contributions for the period October 1–December 31, 2003. The United States succeeded in getting agreement to use these funds, which were not factored into UNESCO's 2002–2003 budget and program plans, for the following U.S. priorities: rebuilding education systems in countries emerging from conflict and preservation of cultural artifacts and collections.

At its General Conference, UNESCO achieved first-ever consensus on resolutions regarding educational and cultural institutions in the occupied

Arab territories and in Jerusalem. These resolutions achieved agreement on sending a technical mission to Jerusalem to make an evaluation of the state of conservation of the cultural heritage of the old sector of the city. With regard to education and culture in the occupied Arab territories, the resolution invited the Director-General to expand financial assistance for Palestinian students, called for a donors meeting to provide additional funds, and invited the Director-General to provide educational assistance to the institutions of the occupied Syrian Golan Heights.

The General Conference requested UNESCO to prepare an international convention on cultural diversity. It defined the term, after a long debate, as “the protection of the diversity of cultural contents and artistic expressions.” The U.S. delegation expressed serious concerns about whether a convention was the best means to promote cultural diversity, and noted that there had not been sufficient preparation and analysis to begin immediate negotiations on a convention text.

Despite U.S. concerns about treatment of “traditional knowledge,” the Conference adopted the International Convention on the Preservation of the Intangible Cultural Heritage, an international legal instrument that would safeguard intangible heritage, such as oral traditions and expressions, including language as such a vehicle as well as the performing arts, social practices, rituals, and festive events, and knowledge and practices concerning nature, the universe, and traditional craftsmanship. Member states adopted this Convention by an overwhelming majority. The United States, along with several other industrialized countries, abstained on the final vote because of concerns about language governing the relationship of the convention to other existing international instruments.

The General Conference also adopted by acclamation a Declaration Concerning the Intentional Destruction of Cultural Heritage. The Declaration recalled the Buddha statues destroyed by the Taliban in Afghanistan as an illustration of concern about the growing number of acts of intentional destruction of cultural heritage globally. This non-binding declaration covers situations of peace and conflict and includes instances of occupation. The Conference adopted, by consensus, an International Declaration on Human Genetic Data, stating that a framework of ethical principles should govern their collection, processing, storage, and use. The Conference also adopted by consensus a Recommendation on the Promotion and Use of Multilingualism and Universal Access to Cyberspace.

The U.S. delegation distanced itself from some resolutions that the General Conference adopted. As the Plenary session members adopted resolutions concerning the so-called Millennium Development Goals program, the United States asked that the record affirm that it would maintain support of the goals only if they were correctly identified as “international development goals adopted in the Millennium Declaration.” Additionally, the United States formally disassociated itself from consensus on the Report of the Science

Commission owing to references to the Earth Charter, which the United States noted was not recognized as an internationally agreed-upon document.

Over 160 ministers took part in Ministerial Roundtables on “Quality Education” and “Toward Knowledge Societies” at the General Conference. Secretary of Education Rod Paige delivered the keynote address at the Education Roundtable. UNESCO received and supported a report from the Government of Afghanistan entitled “The Revival and Development of Education in Afghanistan,” regarding education challenges and recommendations in that nation.

During the General Conference, UNESCO member states elected the United States, now its largest contributor, to serve on the Executive Board. As UNESCO’s governing body, the Board consists of 58 member states with four-year terms of office. It examines the program of work for the organization and corresponding budget estimates and ensures the effective and rational execution of the program by the Director-General. The United States was also elected by member states to the Legal Committee, Intergovernmental Council of the International Program for the Development of Communication, and the Intergovernmental Bioethics Committee.

The United States participated as a member of the UNESCO Executive Board on October 20 for the first time since its withdrawal. The Board elected representatives and set an agenda for future meetings and topics to be considered in 2004–2005. Hans-Heinrich Wrede (Germany) was elected Chair of the Board. The United States was elected as a Group I representative for the Committee on Conventions and Recommendations.

Consistent with U.S. practice since 1986, the United States in 2003 contributed \$1.75 million to UNESCO from the International Contributions for Scientific, Educational, and Cultural Affairs account. The purpose of the account is to support UNESCO-related international educational, scientific, cultural, and communications activities considered to be in the national interest. This grant to UNESCO was used to support the World Heritage Committee (\$450,000); the Intergovernmental Oceanographic Commission (\$500,000); a study by UNESCO’s Internal Oversight Service to determine the relevance, effectiveness, sustainability, and added value of UNESCO’s action in the field of HIV/AIDS education (\$170,000); UNESCO science programs conducted in collaboration with the National Academies of Science and Engineering (\$500,000); a joint seminar with the U.S. National Commission on Libraries and Information Sciences to enhance digital literacy (\$75,000); and activities that the U.S. Mission to UNESCO agreed will promote U.S. priority objectives in areas of scientific standards setting, cultural preservation, education, and management improvement at UNESCO (\$55,000). In addition, as mentioned above, the United States paid an assessed contribution of approximately \$15 million in 2003.

Of 728 positions subject to geographic distribution, Americans held 20 posts, or 2.7 percent. The United States is aggressively promoting the hiring of qualified Americans by UNESCO.

Universal Postal Union (UPU)

The Universal Postal Union (UPU), with headquarters in Bern, Switzerland, facilitates international communications by maximizing the efficient operation of universal postal services across national borders. The United States joined the UPU at its founding in 1874. The UPU now has 190 member states. Thomas E. Leavey (United States) is Director-General. His term expires in December 2004. Leavey is currently the only American elected head of a UN system agency.

In 2003, U.S. delegations attended the annual meeting of the 40-member Postal Operations Council (POC), and the 41-member Council of Administration (CA) in October, both at UPU headquarters. In keeping with 1998 legislation that gave the Department of State primary responsibility for U.S. representation in the UPU, State Department representatives headed the U.S. delegations. Officers of the U.S. Postal Service and the U.S. Postal Rate Commission also joined these delegations. Representatives of private-sector mailers and express carriers participated in UPU meetings as members of the Advisory Group, which met twice during the year in conjunction with POC and CA meetings. Throughout 2003, U.S. policy goals focused on solidifying current and future private-sector participation in the UPU; building a system of terminal dues (payments between member state postal administrations for the handling and delivery of inbound international mail) based as closely as possible on costs; and achieving recognition within the UPU that Extraterritorial Offices of Exchange (ETOE) be exempt from UPU Acts, as they are commercial operations.

The 1999 Beijing Congress had approved Abidjan, Cote d'Ivoire, as the venue for the 2004 UPU Congress. However, civil unrest in that country led Cote d'Ivoire to withdraw its offer to host the Congress, leaving the Director-General to seek an alternative Congress site. Early in the year, the UPU accepted an offer by Romania to host the 2004 Congress in Bucharest.

In October, the CA approved draft proposals for submission to the Bucharest Congress, which would formally create the Consultative Committee, whose members will come from private-sector associations of large mailers and private courier delivery firms. Under these proposals, the private-sector members of the Consultative Committee could attend meetings of the Congress, the POC, and the CA, including their committees. Consultative Committee members may also attend meetings of working groups open to observers whose funding is paid for by the regular UPU budget. Adoption of these proposals was a major policy achievement for the United States, which has worked assiduously since 1999 to open the UPU to the wider community of stakeholders in international postal and package delivery issues. On a practical level in 2003, private-sector members of the Advisory Group—which the Bucharest Congress is expected to transform into the permanent Consultative Committee—participated in major UPU working groups, including a POC group dealing with customs issues. Seventeen private-sector associations have so far joined the Advisory Group. The

Advisory Group presented a white paper to the CA in October on major UPU issues, including terminal dues, ETOEs, universal service, postal regulation, customs clearance, and technical standards.

During 2003, the UPU made considerable progress in refining a concept proposal on terminal dues, which will be proposed at the Bucharest Congress. The POC Terminal Dues Action Group (TDAG) convened several meetings throughout the year to narrow various approaches into a single comprehensive proposal on terminal dues. The TDAG Chair (Canada) sought a “convergence proposal” in an attempt to avoid last minute wrangling in Bucharest on this perennially contentious issue. By October, the work of the TDAG had generated eight proposals put forward by both postal administrations and Restricted Unions (regional postal organizations). Intense deliberations during the October 2003 TDAG meeting distilled the major elements of these proposals into three “concept” proposals. To arrive at a single consensus proposal, the TDAG formed a group of 10 countries, including the United States.

In November, the group met in Bern, where it reached informal agreement on a single comprehensive terminal dues proposal that met the following key U.S. objectives:

- Dynamic movement towards eventual end to separate terminal dues rate structures for industrialized countries and developing countries, so that terminal dues rates are linked as closely as possible to the actual costs in each country;
- Moderate and predictable increases in the cap rate for countries whose postal administrations apply high postage rates; and
- Gradual increases in the floor rate for countries whose postal administrations apply low postage rates.

Throughout the year, the growing phenomenon of Extraterritorial Offices of Exchange (ETOEs), in which a postal administration of one country establishes a mail exchange office in another country in order to compete with the host country’s postal service, absorbed considerable attention within both Councils. In October, the CA adopted a resolution stating “the agreement of any UPU member country must be obtained, in accordance with its national legislation, by any other country seeking to establish ETOEs within that country.” This resolution will serve as a temporary solution until the 2004 Bucharest Congress reaches a broader decision on ETOEs. The U.S. delegation strongly supported this resolution, which Japan put forward. In the U.S. view, ETOEs are commercial operations that should not be covered under the UPU Acts.

In other substantive action, the two UPU Councils:

- Adopted revised customs declaration forms in cooperation with the World Customs Organization. The new postal declarations provide additional information on the contents of postal items, bringing the forms into better

alignment with the information required on commercial customs declarations;

- Continued work on determining the effects of UPU decisions on World Trade Organization (WTO) rules, in particular the relationship between the UPU terminal dues system and WTO's General Agreement on Trade in Services; and
- Worked to strengthen the structures of extra-budgetary "cooperative" organizations. The work of these organizations includes management of information technology networks used for tracking the exchange of mail between postal administrations and a clearing system (UPU*Clearing) for the payment of terminal dues and other accounts between postal administrations. The structures of these voluntary cooperative organizations are solidly based on weighted voting principles, under which members that contribute more funds to the organization receive proportionally higher voting rights.

The UPU operates under a biennial budget. The 2002 CA approved the 2003–2004 UPU budget at the same level as the budget for the preceding biennium. This "zero nominal growth" two-year budget was approximately \$53 million over two years. During the October 2003 CA, Director-General Leavey proudly announced that the UPU budget had remained constant for seven consecutive years.

The UPU budget is divided among member countries not by a scale of assessment, as in most other UN system agencies, but according to "contribution units" that each country volunteers to pay. The United States pays 50 contribution units, which amounts to approximately 5.7 percent of the UPU budget. The cost to the United States in 2003 was \$1.6 million. In addition, the U.S. Postal Service made extra-budgetary contributions to UPU in 2003 of \$370,000 including the salary of a postal security consultant seconded to the UPU staff.

At the end of 2003, American citizens held three of the 58 professional-level positions in the UPU, including the UPU Director-General and the chef de cabinet. Four other Americans were employed and paid with extra-budgetary resources.

World Health Organization (WHO) and Other International Health Organizations

World Health Organization (WHO)

The World Health Organization (WHO), based in Geneva, was established in 1948 with the objective of "the attainment by all peoples of the highest possible level of health." WHO worked in 2003 in close partnership with its member states and two associate members, many intergovernmental agencies, more than 180 nongovernmental organizations, and nearly 1,200 leading health-related institutions around the world designated as "WHO collaborating centers."

During 2003, U.S. representatives participated in meetings of the World Health Assembly, the WHO Executive Board, regional committees for the Americas, the Western Pacific, Africa, and Europe, and the Governing Council of the International Agency for Research on Cancer. U.S. officials also participated in meetings of the management committees of WHO's major voluntarily funded programs, the intergovernmental negotiation body on a Framework Convention on Tobacco Control (FCTC), and the Program Coordinating Board of the Joint UN Program on HIV/AIDS (UNAIDS), which is cosponsored by the WHO and eight other agencies.

The World Health Assembly (WHA) elected Dr. Jong-wook Lee (South Korea) to a five-year term as Director-General in May. He took office on July 21. Dr. Lee rose through the ranks at the WHO, where he had served in various capacities for 19 years. Dr. Lee has emphasized WHO's important role in today's unmet health challenges. He has focused on five overarching priorities: achieving the health-related goals of the Millennium Summit; decentralizing the WHO's work; renewing WHO's accountability and effectiveness; improving global disease surveillance and data management; and strengthening the WHO's human resources. Dr. Lee also emphasized continuity with the policies of former Director-General Gro Harlem Brundtland (Norway), including the importance of WHO advocacy and authority on health issues, rooted in scientific evidence. At the close of her term of office, members praised Dr. Brundtland for raising the profile of WHO, for tackling specific health issues with innovative approaches and partnerships, and for focusing on health as a major international policy concern.

WHO member states concluded negotiations in 2003 on an FCTC, with the final Intergovernmental Negotiating Body meeting in March. The United States sought to achieve a final text it could both sign and ratify. The outcome reflected U.S. desires in virtually all respects, with the exception of the size of the warning labels on tobacco packaging for which new U.S. legislation would be required for ratification.

The 2003 WHA adopted the Convention by consensus. U.S. Secretary of Health and Human Services (HHS) Tommy G. Thompson, head of the U.S. delegation, lauded the WHO and member states for completing the task and producing a treaty to benefit global public health. The Convention opened for signature for one year starting in June 2003, following its adoption at the Health Assembly.

The 2003 Assembly focused attention on Severe Acute Respiratory Syndrome (SARS), and assessed its impact, the international response, and WHO efforts in particular. The Assembly adopted a resolution by consensus committing states to control SARS and to report cases promptly and transparently. The resolution also called for the WHO to respond to all requests for assistance, including from Taiwan.

The Assembly adopted a resolution that focused on the timetable for revising the WHO International Health Regulations (IHRs) in order to meet

the goal of adoption of new IHRs in 2005. It also provided new elements to give the Director-General authority for the first time to take into account reports of disease outbreaks from sources other than official government notifications. During 2003, the United States worked with the WHO Secretariat to support the process of revising the IHRs, emphasizing that new IHRs would need to carefully balance the need to provide maximum protection against the spread of diseases with minimum interference with world trade.

WHO also presented a global health sector strategy for HIV/AIDS in partnership with UNAIDS, which included Dr. Lee's call for 3 million HIV-infected people in developing countries to receive anti-retroviral therapy by 2005. Known as "3 by 5," this goal would be met by WHO, UNAIDS, and other international groups. The WHO, along with UNAIDS, continued its support during 2003 of the Global Fund to Fight AIDS, Tuberculosis, and Malaria, including work at the country level to help country partnerships prepare proposals for the Fund.

The United States and Brazil offered competing resolutions at the WHA on intellectual property rights (IPR), innovation, and public health. Brazil sought to demonstrate that IPR is a barrier to access to medicines and the treatment of neglected diseases. The U.S. text emphasized that IPR is an essential element in creating a climate for innovation, and called on member states to take steps to promote research and development on new medicines for diseases that affect developing countries. An acceptable resolution was adopted by consensus after protracted negotiations which, among other things, recognized a lack of sufficient research and development on "neglected diseases"; urged the pharmaceutical sector to address public health needs and not only potential market gains; and called for WHO to establish a time-limited body to examine issues of intellectual property rights, innovation, and public health.

On financial matters, the 2003 World Health Assembly adopted a regular budget for 2004–2005 that reflected 1.9 percent real growth. Member states agreed on a compromise package involving adoption of the budget, adoption of a scale of assessments based on the UN scale, and an "adjustment mechanism" to give limited relief over two biennia (through 2007) in the form of a credit to countries whose assessments had increased starting in 2002. A compromise limited mitigation plan proved necessary when certain developing countries sought to compel the WHO to depart from the UN scale and increase the maximum contribution from 22 percent up to 25 percent, which represented the previous U.S. assessment. At the time of the budget's adoption, the United States expressed regret that the budget did not devote the maximum possible resources to the WHO work program, owing to WHO's decision to give relief to some member states by offsetting their assessments.

As in previous years since 1997, the 2003 Health Assembly took no action on a proposal to insert in the agenda an item for discussion of the possibility of observer status for Taiwan, put forward by some countries that

have diplomatic relations with Taiwan. In the lead-up to the Assembly, Taiwan increased its lobbying of WHO member states for support of its bid for observership at the Assembly. HHS Secretary Tommy Thompson referred to Taiwan in the context of SARS in a plenary speech, and he expressed the U.S. Government's support for Taiwan's observer bid in an address at a private-sector reception.

Although there is no provision in the WHO Constitution or the Assembly's Rules of Procedure regarding the conferring of observer status, it is understood that observers can only be admitted if a majority of the members present and voting at the Assembly approve the proposal. However, the Assembly in 1997 overwhelmingly defeated in a vote an initiative to place an item on Taiwan observership on the agenda. At the Assembly in 2003, the General Committee debated the issue, with speeches by those in favor of and those against adding an agenda item on the subject of observer status for Taiwan. Under a scenario aimed at avoiding another one-sided vote as happened in 1997, the Assembly president allowed several speeches on each side of the issue, after which he said it appeared the plenary had agreed with the recommendation that there be no new agenda item.

The Assembly took up the long-standing agenda item on "Health conditions of, and assistance to, the Arab population in the occupied Arab territories, including Palestine," which the United States felt was once again extremely unbalanced in its harsh condemnation of Israel. Greece, on behalf of the European Union (EU) countries, sought to amend the draft to make it more "balanced," but the Palestinian negotiators ultimately rejected any changes. The United States called for a roll-call vote on the resolution and it was adopted by a vote of 42 to 10, with 55 abstentions (including EU member states), the narrowest margin of victory ever; a large number of countries also chose to be absent. The United States voted against it, stating that the resolution followed a pattern witnessed elsewhere in UN system organizations in its harsh blame of Israel for Palestinian health problems, while ignoring that Israelis have also suffered as a result of Palestinian actions.

The Health Assembly adopted a resolution entitled, "Representation of developing countries in the Secretariat" by a vote of 57 to 10, with 31 abstentions. Proposed by a group of developing countries, it sought to change the basis for setting the desirable range for hiring. The previous formula followed the UN formula of 55 percent for contributions, 40 percent for membership, and 5 percent for population. The change amounted to 45 percent for contributions, 45 percent for membership, and 10 percent for population, thus diminishing the desirable range for American citizen hires from 168–228 to 142–193. With 160 American citizens working at the WHO subject to the geographic distribution formula, the United States moved from "underrepresented" to "countries within their range but below midpoint." The United States opposed departing from the UN formula for hiring ranges, and called for a roll-call vote, voting against it. The United States believes the 5 percent shift in hiring ranges laid out in this resolution would not result in any significant changes in WHO staff appointments.

The total WHO budget for 2004–2005 was approved at a level of \$2.7 billion. This amount included the \$863.1 million (1.9 percent growth) approved for the regular assessed budget, and \$1.8 billion (25 percent growth) in anticipated voluntary extra-budgetary funding, and \$21.6 million in miscellaneous income. This was an overall increase of 17 percent over the 2002–2003 biennium.

In 2003, the United States provided \$93.6 million (22 percent) of the WHO regular assessed budget of \$425 million, as well as extra-budgetary resources from the U.S. Agency for International Development, HHS, and the Department of State.

Within the WHO staff, there were more American citizens in professional posts than citizens of any other country. However, U.S. citizens remained under-represented at the WHO secretariat. At year's end, Americans held the senior posts of Assistant Director-General for HIV/AIDS, Tuberculosis, and Malaria, Legal Counsel, Director of Internal Audit and Oversight, and Director of the Division of Personnel. At the end of 2003, the WHO had 1,369 posts subject to geographic distribution; of those, U.S. citizens held 160 posts, or 11.7 percent. The total WHO staff on fixed-term or career service appointments was 3,686. In addition, there were 5,091 staff on short-term contracts.

Pan American Health Organization (PAHO)

The Pan American Health Organization (PAHO) marked its 101st year in 2003. Formed in 1902 as the Pan American Sanitary Bureau, PAHO is the world's oldest intergovernmental health organization. The Directing Council of the Pan American Health Organization convened at PAHO headquarters, Washington, D.C., on September 22–26. U.S. officials, including Secretary of Health and Human Services Tommy Thompson, were active in that meeting, as well as in meetings of the PAHO Executive Committee in June and the Subcommittee on Planning and Programming in March.

The new Director of PAHO, Dr. Mirta Roses (Argentina), who was elected to succeed Dr. George Alleyne at the September 2002 Pan American Sanitary Conference, took office on February 1. Dr. Roses outlined her priorities including creating greater health equity for the poor, vulnerable, and marginalized; forging new alliances and strengthening regional solidarity; tackling the emerging health challenges in the Americas; and advocating for continued improvements in the region's health systems. Dr. Roses reorganized PAHO's structure and brought on board, as new PAHO Deputy Director, Dr. Joxel Garcia (United States), former State Commissioner of Public Health for Connecticut.

The Directing Council discussed and adopted resolutions on pressing health issues, including HIV/AIDS, violence prevention, primary health care, influenza, childhood illnesses, dengue fever, and other issues of importance to the region. The Conference reviewed the status of the HIV/AIDS epidemic in

the region and the strides being made in prevention and control. Representatives of all 38 PAHO member states participated, mostly at the ministerial level.

The Directing Council adopted a zero nominal growth (ZNG) budget for 2004–2005 of \$186.8 million. PAHO had originally proposed an increase of 1.38 percent in the budget, which included a 2.85 percent increase in assessments and a projected 18 percent decrease in miscellaneous (interest) income. PAHO sought to offset the decreased funding for 2004–2005 provided directly from WHO headquarters and to make adjustments for cost increases, including mandatory UN salary increases. The United States opposed the proposed increase and pressed for a no-growth budget, a position with which other countries agreed. A working group formed and reached consensus for ZNG in the overall budget. The budget adopted thus reduced the assessment increase from 2.85 percent to 1.8 percent.

During 2003, Argentina, which was over six years in arrears, agreed to a payment plan to settle its arrearages to PAHO over a 10-year period. The Council suspended Venezuela's voting rights because it had not submitted a deferred payment plan to settle its arrears.

The United States pays 59.4 percent of the PAHO budget. The basis of the scale coincides with that of the Organization of American States, with adjustments for membership. In 2003, this totaled approximately \$57.2 million.

In 2003, of 444 professional posts in PAHO, U.S. citizens held 73 (16.4 percent). PAHO had a total staff of 875.

International Agency for Research on Cancer (IARC)

The International Agency for Research on Cancer (IARC) is a leading cancer research institute that monitors global cancer occurrence, identifies causes of cancer, and develops scientific strategies for cancer control. The Governing Council of IARC, a subsidiary of the WHO with 15 member states, met at IARC headquarters in Lyon, France, on May 15–16, 2003. The Governing Council discussed IARC's program of work in cancer prevention and its various collaborative research efforts, and approved the budget for 2004–2005. Dr. Paul Kleihues (Germany) completed his second five-year term as Director at the end of 2003. The Governing Council elected a new IARC Director, Dr. Peter Boyle (United Kingdom), a distinguished cancer epidemiologist and biostatistician, who will assume office in January 2004. The United States was a member of the search committee formed under the Governing Council's auspices in 2002 to identify candidates to serve as IARC Director.

The Governing Council approved a new IARC budget for 2004–2005 of \$37.4 million, an increase of 3.4 percent from the budget established for 2002–2003. U.S. regular budget contributions (based on a 9.9 percent assessment) will increase marginally to \$1.72 million in 2004 and \$1.71 million in 2005. The United States was assessed \$1.7 million in 2003.

U.S. citizens held six of 56 professional posts in IARC in 2003, representing an increase from 8.2 percent to 10.7 percent since 2002. IARC had a total staff of 144.

Joint UN Program on HIV/AIDS (UNAIDS)

The Joint UN Program on HIV/AIDS (UNAIDS) began formal operations on January 1, 1996. The World Food Program became a UNAIDS cosponsor in 2003, joining the WHO, the UN Development Program, the UN International Drug Control Program, the UN Children's Fund, the UN Population Fund, the UN Educational, Scientific, and Cultural Organization, the International Labor Organization, and the World Bank. UNAIDS also has cooperation agreements with the Food and Agriculture Organization and the UN High Commissioner for Refugees. UNAIDS works in countries that are dealing with the HIV/AIDS epidemic, primarily through country-coordination theme groups that seek to mobilize all sectors to address AIDS.

The UNAIDS Program Coordinating Board (PCB) acts as the governing body on all issues concerning policy, strategy, finance, monitoring, and evaluation of UNAIDS. The membership of the PCB comprises 22 government representatives, elected from among the member states of the cosponsoring organizations, according to regional distribution. The term of membership of these states is three years, with approximately one-third of the membership replaced annually. The United States was not a member of the PCB in 2003. Each of the nine cosponsors has full rights of participation in the PCB, but without the right to vote. Five nongovernmental organizations are also invited to participate in PCB meetings, but without the right to take part in the formal decision-making process or the right to vote.

Dr. Peter Piot (Belgium), Executive Director of UNAIDS and an effective advocate with governments on HIV/AIDS, announced on December 1, 2003, that UNAIDS would spearhead a campaign with the WHO to ensure that at least three million people with HIV would receive anti-retroviral therapy by 2005, WHO's "3 by 5" initiative.

UNAIDS also worked with the Global Fund to Fight AIDS, Tuberculosis, and Malaria, an independent, non-UN organization. UNAIDS worked at the country level when requested in the preparation of proposals for funding by the Global Fund.

The UNAIDS biennial budget for 2002–2003 was \$190 million. The United States continued to be the major donor to UNAIDS, providing \$17.9 million in 2003.

In 2003, U.S. citizens held nine of 116 professional posts in UNAIDS, including that of Deputy Executive Director. UNAIDS had a total staff of 165.

World Intellectual Property Organization (WIPO)

The World Intellectual Property Organization (WIPO) promotes the protection of intellectual property rights throughout the world through

cooperation among member states. Established by the WIPO Convention in 1967, it became a UN specialized agency in 1974. WIPO is headquartered in Geneva, and operates several offices around the world, including in New York, Washington, D.C., and Brussels. Dr. Kamil Idris (Mali) is the Director-General. There are 180 members of the WIPO Convention. The United States is currently a party to 10 WIPO treaties. Fees for service generate more than 90 percent of WIPO's revenue, with fees paid by U.S. nationals comprising approximately 41 percent of WIPO's fee revenue.

WIPO administers various treaties that deal with the legal and administrative aspects of intellectual property, including industrial property and copyrights. The two principal treaties are the Paris and Bern Conventions, with 164 and 150 members, respectively. WIPO also administers 20 multilateral "unions," which serve as the treaty administering organs.

The General Assembly of WIPO Unions, of which the United States is a member, took place in Geneva from September 22 to October 1. The Assembly approved WIPO's 2004–2005 zero nominal growth budget at approximately \$491 million. While ultimately endorsing the budget, many developing countries regretted that there were not more resources for development programs.

The General Assembly also noted the four-year medium term plan set forth by the Secretariat for the years 2006–2009. This plan identified the following three objectives: (1) promoting an intellectual property (IP) culture; (2) providing consistent and customized assistance to member states in developing national and regional IP systems; and (3) further streamlining management and administrative processes in WIPO.

The Assembly debated the future mandate—if any—of the Intergovernmental Committee (IGC) on Intellectual Property and Genetic Resources, Traditional Knowledge, and Folklore. A July meeting on the future of the IGC collapsed due to the inability of participants to agree on whether the IGC should begin immediate negotiations on a binding multilateral treaty on IP as it relates to genetic resources, traditional knowledge, and folklore. Eventually, the parties agreed to a compromise text that continued WIPO's mandate to work on this issue and that stated that the work of the IGC would "focus, in particular, on a consideration of the international dimension of those questions, without prejudice to the work pursued in other fora and that no outcome of this work is excluded, including the possible development of an international instrument or instruments." The United States worked hard to reach this compromise and fully supported it.

The issue of Patent Cooperation Treaty (PCT) fees dominated the meeting of the PCT Union at the 2003 General Assembly. PCT fees account for about 80 percent of WIPO's budget. WIPO had proposed a single fee structure of approximately \$1,117 per filing, noting that significant rule changes reforming the PCT would go into effect in January 2004, necessitating changes to the fee structure. Interpreting the proposed fee as an increase over previous fees, the United States submitted an alternate proposal that would fix

the fee at approximately \$1,040, equivalent to the maximum fee that applicants pay under the current PCT process. The United States and WIPO eventually reached a compromise that set the international filing fee at \$1,078. WIPO will consult with member states after reviewing the actual usage of the new PCT procedures, and look at possible readjustments of spending and/or fees, if necessary, in 2004.

As a final stage in a process that had been underway for three years, the 2003 Assembly adopted amendments to the WIPO Convention, the Paris Convention, and other WIPO-administered treaties. The amendments address three main changes, previously recommended by a Working Group on Constitutional Reform and adopted by the Assembly in 2002. These three changes are the following: (1) the WIPO Conference should be abolished as a body; (2) several changes introduced in practice in the early 1990s but not formalized in WIPO treaties should be codified in amendments; and (3) the periodicity of scheduled meetings of various organs of WIPO and its Unions should be formally changed to once every year rather than once every two years to reflect actual practice.

The Program and Budget Committee, to which the United States belongs, conducts oversight of WIPO's financial and budgetary issues. Historically, WIPO has consistently run a revenue surplus from patent and trademark filing fees. The United States has advocated and obtained regular reductions of filing fees since 1996, making them more affordable, especially for small and medium-sized enterprises and individuals, consistent with the costs of processing applications, and less likely to lead to accumulated but unnecessary cash reserves. WIPO member states had required the Secretariat to consolidate all budgets for the 2002–2003 biennium, to provide clearer tracking of financial flows.

The U.S. share of WIPO's assessed budget in 2003 was \$1.1 million. The U.S. assessed contribution represents less than 1 percent of WIPO's total revenue, although, as noted above, approximately 41 percent of WIPO's total revenue comes from filing fees paid by U.S. nationals, the largest group of WIPO supporters.

In 2003, out of 361 professional posts, Americans filled 22, or 6.1 percent.

World Meteorological Organization (WMO)

The World Meteorological Organization (WMO) facilitates international cooperation in making meteorological, hydrological, and other related observations. It promotes the standardization, quality control, and rapid exchange of meteorological observations, and uniform publication of observations and statistics.

The WMO membership includes 181 states, with Bhutan and Kiribati joining in 2003, and six member territories, all of which maintain their own meteorological services and make meteorological observations within their domain. The six WMO regional groups meet every four years to coordinate

operational meteorological, hydrological, and climatological activities within their region, and to examine questions referred to them by the WMO Executive Council. The WMO Secretariat serves as the administrative, documentation, and information center for the organization. WMO Secretary-General G.O.P. Obassi (Nigeria) completed his final four-year term in December 2003. Michel Jarraud (France) was elected as the next Secretary-General in May 2003 and was scheduled to begin his four-year term as Secretary-General on January 1, 2004.

The World Meteorological Congress (WMC), which is the supreme body of the WMO, meets every four years. It determines policies, approves the program and budget, and adopts regulations. The WMC met May 5–24 in Geneva. It approved the program and budget of the organization for the 14th financial period (2004–2007). The Congress approved a maximum expenditure of approximately \$195.4 million, of which \$192.3 million would be funded from assessed contributions and the balance of \$3.1 million from cash surpluses resulting from the 13th financial period. Although the maximum expenditures remained constant, total assessed contributions decreased by 1.2 percent from the budget ceiling of 2002–2003. The next Congress was scheduled to meet in Geneva in May 2007.

The WMO's Executive Council meets annually to prepare studies and recommendations for the WMC; supervise the implementation of WMC resolutions and regulations; approve implementation of the budget, and advise members on technical matters. It is comprised of 37 members, including a president and three vice-presidents. The Executive Council members are generally the heads of their national meteorological services. It receives budget recommendations from the WMO Financial Advisory Committee, which is chaired by the WMO President and is made up of eight selected member countries that comprise the largest contributors, including the United States and the presidents of the six WMO regional associations. The Executive Council met May 26–28 in Geneva, and included private-sector representation.

The WMO's principal programs include the World Weather Watch, World Climate Program, Atmosphere Research and Environmental Program, Applications of Meteorology Program, education and training programs, and technical cooperation programs. The most important activities for the United States include the World Weather Watch Program, the Voluntary Cooperation Program (VCP), and the Global Climate Observing System (GCOS).

The World Weather Watch provides real-time worldwide weather data through the member-operated Global Telecommunication System. Observation platforms include four polar-orbiting and five geostationary satellites, about 10,000 land-based observation sites, approximately 7,000 ship stations, and 300 moored and drifting buoys carrying automated weather stations.

The VCP supports member countries' implementation of WMO Scientific and Technical Programs. It provides equipment and services,

Specialized Agencies and Other Bodies

including training, or financial contributions made on a voluntary basis by member countries. It has assisted developing countries in undertaking their own observations and may be an important vehicle in the future to help construct an integrated global observation system. The United States contributed \$2 million in 2003 to WMO's VCP.

GCOS was established to ensure that the observations and information needed to address climate-related issues are obtained and made available to all potential users. It is intended to be a long-term, user-driven operational system capable of providing the comprehensive observations required for monitoring the climate system and for supporting research toward improved understanding, modeling, and prediction of the climate system. GCOS is particularly important to the United States in view of the President's commitment to enhance and expand the global climate observing systems in order to reduce uncertainties related to global climate change.

The WMO has eight technical commissions: (1) Aeronautical Meteorology, (2) Agricultural Meteorology, (3) Atmospheric Sciences, (4) Basic Systems, (5) Climate, (6) Hydrology, (7) Instruments and Methods of Observation, and (8) Oceanography and Marine Meteorology. The latter is a joint commission with UNESCO's Intergovernmental Oceanographic Commission. The commissions meet quadrennially, except for Basic Systems, which meets biennially.

The WMO does not prepare annual budgets, but its spending in 2003 totaled approximately \$47 million. The U.S. assessment in 2003 was 21.6 percent, or about \$10.1 million.

The Geneva-based Secretariat had 258 employees at the end of 2003. There were six American employees out of the 118 professional-level staff (about 5 percent).

