

# MULTILATERAL ECONOMIC ASSISTANCE

International Financial Institutions  
International Organizations and Programs

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**International Financial Institutions**  
(\$ in thousands)

Account	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
IFI	1,144,356	1,174,796	1,437,097

Detailed justification not available at time of publication. See FY 2003 budget presentation of the Department of the Treasury.

**International Financial Institutions**  
(\$ in thousands)

	<b>FY 2001 Actual</b>	<b>FY 2002 Estimate</b>	<b>FY 2003 Request</b>
Global Environment Facility	107,762	100,500	177,813
International Development Association	773,295	792,400	874,338
Multilateral Investment Guarantee Agency	9,978	5,000	3,631
Asian Development Fund	71,842	98,017	147,386
African Development Bank	6,087	5,100	5,104
African Development Fund	99,780	100,000	118,073
European Bank for Reconstruction and Development	35,700	35,779	35,805
Inter-American Development Bank - Multilateral Investment Fund	9,978	-	29,591
Inter-American Investment Corporation	24,945	18,000	30,352
International Fund for Agricultural Development	4,989	20,000	15,004
<b>Total</b>	<b>1,144,356</b>	<b>1,174,796</b>	<b>1,437,097</b>

**International Organizations and Programs**  
(\$ in thousands)

Account	FY 2001 Actual	FY 2002 Estimate	FY 2003 Request
IO&P	185,591	208,500	310,400

The FY 2003 request for International Organizations and Programs (IO&P) will advance U.S. strategic goals by addressing challenges that require international consultation and coordination. In some areas, such as protecting the ozone layer or safeguarding international air traffic, solutions cannot be effective unless problems are addressed globally. In other areas, such as development programs and the needs of children and mothers, the United States multiplies the influence and effectiveness of its contributions through support for international programs.

UN Voluntary Fund for Technical Cooperation in the Field of Human Rights

Contributing to the Fund furthers the U.S. goal of promoting democracy and human rights. The United Nations can use the Fund to undertake projects which, in some instances, the United States cannot implement bilaterally. A secure tradition of voluntary funding, anchored by the U.S. contribution, ensures availability of such assistance to those nations that seek help in strengthening their own democratic institutions and protecting the human rights of their citizens. Many of these nations are newly independent and are struggling to adopt, implement, and adhere to the democratic traditions promoted by the donor nations. In recent years, as more countries have begun the transition to democracy, the number of requests for assistance has increased considerably. Maintaining the FY 2001 and FY 2002 contribution level in FY 2003 will help continue to leverage increased contributions by other governments and demonstrate the U.S. commitment to an efficient and responsive human rights mechanism.

UN Voluntary Fund for Victims of Torture

Contributions to this Fund also support the U.S. foreign policy goal of promoting democracy and human rights. Assisting torture victims helps establish and reinforce a climate of respect for the rule of law, good governance, and respect for human rights. U.S. contributions underscore our commitment to the rights of the individual and to the essential importance of protecting these rights. Contributions to the Fund also demonstrate the U.S. commitment to humanitarian assistance to victims of human rights violations. The Fund provides worldwide humanitarian assistance to torture victims and their families and also finances training programs for health care professionals specializing in the treatment of torture victims and human rights courses for government officials and police forces. In 2000, the Fund made grants amounting to more than \$8 million to 187 organizations that provide legal, humanitarian, and other aid to about 60,000 victims worldwide. The U.S. contribution in FY 2003 will help underscore our commitment to the rights of the individual and to the essential importance of protecting those rights.

OAS Fund for Strengthening Democracy

Strengthening democracy in the Western Hemisphere is a key U.S. policy objective. FY 2003 funding will help advance that goal by promoting democracy programs of the Organization of American States (OAS) and leveraging further funding from other donors. In recent years, the OAS has demonstrated newfound strength and purpose in promoting representative democracy and respect for human rights and the rule of law. The Inter-American Democratic Charter, approved in September 2001, is an historic document that boldly reasserts the commitment of the OAS to promoting democracy and establishes practical steps to accomplish that goal. U.S. democracy support funds have played an important role in promoting political reform in Peru, encouraging free and fair elections in Nicaragua, and strengthening democratic institutions

in the hemisphere, including legislatures, political parties, the justice sector, and civil society. Such funds support the Inter-American Commission on Human Rights, which monitors and adjudicates human rights complaints in the hemisphere, and contribute to a successful demining program that has removed 60,000 land mines in Central America. Mandates of the Summit of the Americas, as well as recent OAS commitments to utilize the Inter-American Democratic Charter as a tool to prevent and address threats to democracy, have substantially increased requests for the OAS to facilitate in addressing internal democratic challenges. The new situation has produced a growing and unsatisfied demand for support that the OAS cannot meet through its regular fund in areas such as conflict resolution, leadership training, and the newly energized Inter-American Committee against Terrorism.

#### UN Development Program (UNDP)

UNDP is the primary technical cooperation agency in the UN system. It is also charged with coordinating development/technical assistance implemented by all UN agencies. As the largest provider of grant-based technical assistance, UNDP implements programs in over 170 countries, emphasizing poverty alleviation through economic and political reform, democracy, and peace building. Its programs support U.S. strategic interests including economic development, democracy and human rights, and global growth and stability. UNDP helps developing countries improve their trade and investment potential, infrastructure, institutions, and rule of law (including anti-corruption). Its projects target governance and institutional capacity building. UNDP has a near universal presence in developing countries and an important record of credibility. UNDP's country-level collaboration enables it to operate effectively in some of the developing world's most isolated and vulnerable people.

Increasing demands are being made on UNDP to play a more forceful role in post-conflict situations. It has major reconstruction responsibilities in, among other areas, East Timor and Afghanistan. A strong UNDP is the best way to counter efforts to put "peacebuilding" activities into assessed accounts. The FY 2003 U.S. contribution will ensure that UNDP will be able to perform this role while maintaining its important governance and capacity building assistance to governments in the least developed countries.

#### UN Development Fund for Women (UNIFEM)

The U.S. contribution to UNIFEM will enable the organization to act as a catalyst with other UN agencies to ensure broad-based knowledge of the specific concerns of women. Its goal is to improve significantly the status of and opportunities for women in the least developed countries through greater participation in political, economic, and social life. Investments in women – in their health, education, and economic access – are key components of sustainable development. The more education women have, the more likely they are to be economically productive and engage in public life. They are also more likely to begin childbearing later in life, to educate their children, and to have healthier children – passing the advantages they have gained on to the next generation. UNIFEM's goals coincide with several of our strategic goals: economic development, democracy and human rights, and global growth and stability.

#### OAS Development Assistance Programs

The promotion of economic prosperity, social well-being, and global environmental issues are key U.S. policy objectives. FY 2003 funding will help advance those goals by promoting OAS development programs and leveraging additional contributions from member and observer states. The OAS recently established the Inter-American Agency for Cooperation and Development, headed by a U.S. citizen, to strengthen program execution and provide a mechanism for partnerships with private sector and non-governmental entities to develop projects that promote the use of best practices in education, government procurement, and science and technology. Following the terrorist attacks of September 11, the Agency has been praised for its commitment to training in port security, which supports the U.S. goals of combating

corruption and smuggling. The Agency has been very successful in the area of education by offering several training programs in technical fields. In response to the Summit of the Americas, it has developed training programs for teachers which are available online through the Education Portal of the Americas. Funds are also used to implement cooperative multinational programs in areas such as social and educational development, environmental protection and watershed management, and science and technology. The National Institute of Standards and Technology offers courses through the OAS on standardization that will allow Latin American and Caribbean countries to place their goods on the world market – an essential prelude to the Free Trade Area of the Americas (FTAA). A sustained level of funding in FY 2003 will allow the OAS to meet its Summit of the Americas mandates in health, education, and rural development activities, as well as assist Caribbean and other small-state economies to prepare for the FTAA.

#### World Trade Organization (WTO)

At the November 2001 WTO Doha Ministerial Conference, the United States and other member countries launched a new round of multilateral trade negotiations. Small, vulnerable, and transition economies were initially reluctant to join the new round negotiations because their limited human and technical resources have made it difficult for them to implement the previous multilateral trade agreement, the Uruguay Round. To encourage these countries to join this new round of global trade talks and to open their markets further to other WTO members, including the United States, the WTO established the Doha Development Agenda Global Trust Fund. The purpose of the Fund is to ensure long-term funding for WTO technical assistance to help developing countries implement previous agreements and participate fully in the upcoming negotiations. Successful and timely conclusion of the new round will help achieve our strategic goals of further market opening, expansion of U.S. exports, and international growth and stability.

The U.S. contribution to the Fund will assist recipient countries in understanding and adopting open and transparent rules and regulatory regimes; implementing multilateral rules (which will help boost U.S. exports); and laying the foundation for sound economic reforms that contribute to growth and stability. During the 1990s, the lowering of trade barriers contributed to five percent GDP growth annually among developing countries who were members of the WTO. During the same period, the lowering of trade barriers helped U.S. exports reach approximately \$1 trillion. Exports generated employment for 12 million Americans.

#### International Civil Aviation Organization (ICAO)

ICAO's Aviation Security Fund and the Aviation Safety program strengthen aviation security. Their goal is preventing terrorism and unlawful interference with civil aviation and its facilities. They also address inconsistencies in aircraft design, certification standards, and deficiencies in the use of the English language and phraseology in air traffic communications. Following the events of September 11, security has taken on additional urgency at ICAO. The Sept-Oct 2001 Assembly made a number of recommendations regarding security, including the establishment of an audit program to make sure that ICAO standards and security are being implemented throughout the world. In addition, aviation security experts have made a number of recommendations for strengthening and expanding ICAO standards, such as hardening cockpit doors and following more stringent in-flight security procedures. These and other security initiatives were endorsed by ICAO members at the February 2002 high-level ministerial meeting on aviation security.

## UN Environment Program (UNEP)

The FY 2003 request includes a U.S. contribution to support UNEP, the primary international environmental organization, and a range of international programs which it oversees, administers, or with which it is associated. This request level is necessary to achieve several important U.S. objectives, such as sponsoring international negotiations on regulating toxic chemicals like DDT that are carried over long distances and pose health risks to U.S. citizens. U.S. funding also helps UNEP address land-based sources of marine pollution; fund the secretariats of several important environmental agreements and UNEP-related programs, including the Intergovernmental Forum on Chemical Safety and the South Pacific Regional Environment Program; and support ongoing work to monitor and assess the state of the global environment. The U.S. contribution is expected to leverage funding from other major donors.

## Montreal Protocol Multilateral Fund

The U.S. contribution to the Montreal Protocol will benefit U.S. national interests by protecting the health of American citizens, the world community, and the global environment. The agreement, the Montreal Protocol on Substances that Deplete the Ozone Layer, ratified by the United States in 1988, protects the ozone layer by setting forth measures to control the global emissions of substances, such as chlorofluorocarbons, that deplete it. These manufactured chemicals emitted into the atmosphere have led to the destruction of the stratospheric ozone layer, permitting dangerously high levels of ultraviolet (UV) light to reach the earth's surface. Increasing UV radiation has been linked to higher rates of skin cancer, cataracts, and immunosuppression in humans and other animals, as well as harmful alterations to global ecosystems.

Ozone depletion is a global problem, and the Montreal Protocol Multilateral Fund provides resources to developing country parties to the Protocol to support efforts to reverse the human-created damage to the ozone layer, as a result of emissions of ozone-depleting substances (ODSs). With the U.S. contribution, the Fund will help ensure that ODS phaseout schedules are met. To date, U.S. contributions have provided significant opportunities for American industries to export technologies and consulting expertise. The United States is a leader in ozone protection technologies and has captured a significant portion of the economic opportunities created by Multilateral Fund projects.

## International Conservation Programs

Many developing countries face the daunting challenge of improving their meager existences while at the same time preserving their natural resources. Illegal logging and related illegal trade and corruption in the forest sector, for example, are robbing governments of much needed revenue. U.S. contributions to international conservation programs will help to address these problems by providing the means and technical expertise to assist developing countries in building their capacity without neglecting the need to preserve their natural resources. Modest U.S. contributions leverage hundreds of millions of dollars in project co-funding. In addition, these programs offer mechanisms for the exchange of information and new environmental technologies, which have provided valuable new market opportunities for U.S. technologies and expertise. These international programs include:

- The World Conservation Union (IUCN) is a useful forum for the advancement of U.S. conservation and sustainable development objectives and complements the international environmental priorities of U.S. agencies. IUCN technical and management expertise can also help advance emerging U.S. priority issues like minimizing the ecological damage caused by invasive species. The IUCN has six commissions that draw on the knowledge base of 10,000 volunteer scientific experts worldwide. Its mission is to encourage and assist societies throughout the world through the provision of sound scientific and technical advice; to conserve the integrity

and diversity of nature; and to ensure that the use of natural resources is ecologically sustainable. U.S. funding helps to shape IUCN's activities on such U.S. priorities as invasive species, forests, coral reefs, ecosystem management, and endangered species.

- The International Tropical Timber Organization (ITTO) is the only international forum in which both producing and consuming countries of tropical timber participate in efforts to address all aspects of the tropical timber economy and its environmental impact. Its 53 members represent 95 percent of world trade in tropical timber. The United States is one of the world's largest importers of tropical timber, and U.S. domestic and importing industries actively participate in ITTO. ITTO's recognition of the timber market's dependency on sustainable harvesting links U.S. trade interests with U.S. priorities for sustainable forest management, with the goal of ensuring a long-term supply of tropical wood from well managed forests.
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the largest global conservation treaty with a total of 154 parties, protects species by managing international trade in certain endangered or threatened plants and animals. CITES advances U.S. environmental goals of preserving global biodiversity, while affording possibilities for their sustainable development. The United States is serving currently as chair of the Standing Committee.
- The U.S. voluntary contribution to the Ramsar Convention helps to support the core budget of the Convention and also funds a U.S.-initiated wetlands training and capacity building grants program for the Western Hemisphere. Ramsar relies on contributions from its 123 parties to carry out the work of the Convention through a small secretariat. The United States maintains a decision-making role in the grants funded under this initiative.
- Based on a U.S. proposal, the UN Forum on Forests (UNFF) was established in October 2001, replacing the Ad Hoc Intergovernmental Forum on Forests (IFF). The United States was actively engaged in establishing the UNFF as a practical and results-oriented mechanism to facilitate and improve coordination and efficiency among major multilateral forest-related initiatives. The UNFF is supported by voluntary contributions. The goal of the UNFF is to promote forest conservation and sustainable management globally to raise the forest standards of other countries.
- The Convention to Combat Desertification (CCD) stresses the global dimension of land degradation and is intended to address the fundamental causes of famine and food insecurity, especially in Africa, by stimulating more effective partnership among government representatives, local communities, NGOs, and aid donors, and by encouraging the dissemination of information derived from new technology. Contributions to the CCD Secretariat support the aim of the Convention, to which the United States became a party in February 2001.
- The United States is one of 12 member countries of the Montreal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests. The Montreal Process countries account for 60 percent of the world's forests and over 90 percent of the world's non-tropical forests, as well as 40 percent of world trade in forest products. Participation enables the United States to advance national interests by promoting sustainable forest management in the developing countries of the Montreal Process and advancing the use of criteria and indicators worldwide.

### Intergovernmental Panel on Climate Change (IPCC) / UN Framework Convention on Climate Change (UNFCCC)

The IPCC and UNFCCC are the premier international structures for scientific assessments of climate change and for multilateral efforts addressing climate change. Multilateral efforts include the development of market incentives, new technologies, and other innovative approaches to this serious environmental problem. U.S. participation in the IPCC and UNFCCC encourages an international approach on climate change and helps ensure that these international efforts are science-based and consistent with U.S. environmental and economic interests.

The FY 2003 budget request for the IPCC and UNFCCC will be used to support: IPCC core activities and programs; the UNFCCC administrative budget for the 2002-03 biennium; voluntary contributions toward UNFCCC trust funds for developing country participation and for supplementary activities that advance U.S. interests; and the Global Climate Observing System for providing comprehensive observations for monitoring, modeling, and predicting climate variability and change.

### International Contributions for Scientific, Educational & Cultural Activities (ICSECA)

The ICSECA account supports U.S. international efforts to secure a sustainable global environment and to promote democratic practices and respect for human rights through participation in selected UNESCO activities. FY 2003 funds will support programs that enable the U.S. to take initiatives within UNESCO multilateral programs. These support literacy and human rights and democracy education; improve access to education for girls; safeguard free flow of ideas and press freedom; and promote the advancement of scientific knowledge and capacity building in science.

The ICSECA account facilitates flexible, collaborative partnerships between international governmental and non-governmental organizations concerned with the advancement of science and technology, the understanding of global environmental problems, the promotion of democratic practices, and the opening of education for all. Recipients include the Intergovernmental Oceanographic Commission's Global Oceans Observation System and the World Heritage Convention; the International Council for Science in support of UNESCO-related programs that address global environment change and natural hazards reduction; and the U.S. Commission on Libraries and Information Science to promote international access to electronic information storage. Funding to ICSECA supports free press; literacy; democracy and human rights education; scientific cooperation; and international activities of the Man in the Biosphere Program, the UNESCO International Hydrological Program, the Intergovernmental Oceanographic Commission, and HIV/AIDS education. The U.S. withdrew from UNESCO in December 1984.

### World Meteorological Organization (WMO) Voluntary Cooperation Program

The WMO's Voluntary Cooperation Program provides training and equipment to help developing countries participate in WMO programs, particularly the World Weather Watch (WWW). WWW provides the framework to coordinate the exchange of weather data and information through observing, telecommunication, and processing centers operated by nations throughout the world. The result of the WWW programs is the 24-hours-per-day/7-days-a-week global exchange of vital atmospheric and oceanic data and products to give the United States and other nations the basic information needed to forecast severe weather events; assist with critical information on natural and man-made disasters that affect life, safety, water use, and crop yields around the globe; support civil aviation; provide basic global data needs for industry and many U.S. agencies, including the Department of Defense; and monitor changes in the climate throughout the world.

### United Nations Children's Fund (UNICEF)

Since its creation in 1946, UNICEF has maintained its responsibilities for children in emergency situations but also has become the pre-eminent long-term development fund addressing the needs of children and mothers. The FY 2003 U.S. contribution to UNICEF will aid in providing goods and services directly, as well as in developing national capacity to help meet basic needs in maternal and child survival and health care, sanitation, clean water, nutrition, primary education, HIV/AIDS prevention, and child protection (child labor, child soldiers, and the commercial sexual exploitation of children). UNICEF has approximately 5,600 posts in 161 countries. Its development work complements USAID's Child Survival programs and the Center for Disease Protection's polio eradication program and is closely coordinated with those U.S. agencies. Working with the UN Office for the Coordination of Humanitarian Affairs, UNICEF provides emergency assistance in countries destabilized by civil strife or natural disasters, most recently in Afghanistan, Kosovo, East Timor, and Africa. With two decades of on-the-ground experience in Afghanistan, UNICEF is concentrating on immunizations and vitamin A supplements, water and sanitation, and primary education.

**International Organizations and Programs**  
(\$ in thousands)

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
<b>International Organizations</b>			
OAS Development Assistance Programs	5,500	5,500	5,500
OAS Fund for Strengthening Democracy	2,500	2,500	2,500
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights	1,500	1,500	1,500
UN Voluntary Fund for Victims of Torture	5,000	5,000	5,000
World Food Program	5,000	6,000	-
UN Development Program	87,091	97,100	100,000
UN Development Fund for Women	1,000	1,000	1,000
World Trade Organization	1,000	1,000	1,000
International Civil Aviation Organization	300	300	300
UN Environment Program	10,000	10,750	10,025
Montreal Protocol Multilateral Fund	26,000	25,000	23,000
International Conservation Programs	5,450	7,700	6,225
International Panel on Climate Change/UN Framework Convention on Climate Change	6,500	7,400	5,600
International Contributions for Scientific, Educational, and Cultural Activities	1,750	1,750	1,750
World Meteorological Organization	2,000	2,000	2,000
UN Children's Fund	-	-	120,000
UN Population Fund	25,000	-	-
Reserve to be Allocated	-	34,000	25,000
<b>Subtotal - International Organizations</b>	<b>185,591</b>	<b>208,500</b>	<b>310,400</b>
<b>Total</b>	<b>185,591</b>	<b>208,500</b>	<b>310,400</b>