

PN-AAU-818³⁹
WA 44675

International Organizations and Programs

**Congressional Presentation
Fiscal Year 1982**

United States International Development Cooperation Agency

To the Congress of the United States:

It was just 36 years ago when the gates to the Nazi death camps were opened to reveal to the entire global community one of the most barbaric chapters in the modern day history of mankind. Some six million Jews had been exterminated systematically over a 12-year period which we have come to know as the holocaust. Recognizing the need for greater international cooperation to promote peace and the welfare of humanity particularly in light of the holocaust, the international community set about the task of creating a global institutional framework dedicated to the rule of law among nations and to the protection and enhancement of the rights of every individual on the face of this earth, regardless of race, color or creed. We vowed we would never allow another holocaust to occur.

This year the United Nations celebrates its 36th anniversary. Yet, another holocaust--the silent, hidden holocaust--will once again take its annual human toll as it has for every year since 1945. Its victims are those who will die unnecessarily from deprivation, hunger and disease--among them will be an estimated 15 million children. In a world so abundant in human, natural, and material resources, this annual tragedy is incomprehensible.

We are hurtling toward a future world population of 2-1/2 billion more people than inhabit the earth today, most of them destined to live in the poorest countries, with per capita incomes hovering at a level of abject poverty, with arable land running out, with forests receding, fresh waters disappearing and deserts expanding.

Today, one-third of humanity exists in the absence of adequate shelter or food, ill and idle, with no glimpse of a better future. This creates a dangerous global climate--a climate where oceans of suffering breed hurricanes of hate, lashing out with destructive force not only where they are spawned but wherever they reach as well.

In this shrinking world of ours, distance no longer guarantees safety. The crises we face do not respect

national boundaries or ideological frontiers. Yet, I am struck by the fact of how the glaringly obvious has failed to penetrate our collective psyche, how oblivious we continue to remain in the face of the clear and present danger that world hunger and poverty present to our nation, to our economic prosperity, and to our freedoms.

Last year, the U.S. Government published an important study entitled the Global 2000 Report to the President of the United States. Based upon that report, if present trends continue, the year 2000 will see a world where billions are subjected to the degradation of abject poverty. It will be a world where the struggle for survival will become the paramount human endeavor. Abject poverty dehumanizes because it subjects life to the exigencies of mere existence. It is the condition in which people exhaust their energies at the grueling task of just being, with never a chance of becoming. It is a condition in which people squander their energies in the fight for mere physical survival, with their talents unchallenged, and their human potential unfulfilled.

Where the basic human needs of food, health, and shelter remain the sole object of unfulfilled wants, no desire can emerge for liberty and no strength is left to protect rights. Where the struggle for liberation from daily necessities overwhelms the necessity for freedom, neither basic human needs nor human rights will ever be satisfied. And in a world where tyranny becomes the order of things, no nation, however prosperous and free, can long remain an island of virtue.

To confront these growing threats to global security, each nation, each government, must do its share. None of the problems can be tackled by one country alone, and no country alone can long endure to carry the principal burden.

It is clear that in order for the world to deal effectively with these fundamental problems, an extended program of cooperative interaction within the worldwide system of United Nations' organizations will be required. The United Nations is the ideal focal point for strategists in

formulating an agenda which could deflect projected ecological, economic, and social catastrophes in the coming decades. The very nature of the entity that is the United Nations lends it to the creative long-range effort which could bring to fruition the massive economic development that the current world environment demands.

The annual human toll from the hidden holocaust would be much greater were it not for the efforts of such organizations as the United Nations Development Program (UNDP), the UN Children's Fund (UNICEF), the Food and Agriculture Organization's World Food Program, and the Organization of American States' technical assistance programs. These programs are designed to assist people in developing countries to help themselves. They bring appropriate technologies to the small farmers of developing countries, teach them to use improved seeds and fertilizers, instruct them on managing water resources, demonstrate how to employ appropriate soil conservation techniques, and train managers of marketing cooperatives. UNICEF is recognized as the most innovative development agency in the areas of village level potable water and maternal-child health care systems.

It is evident these programs recognize that each nation and each government must do its share. The United States was the moving force in establishing these institutions as a means of increasing the burdensharing within the international community to address these immense human challenges. We have been more than successful in meeting this challenge as evidenced by the fact that our contributions are matched by four, and in many cases, five dollars from other donors.

Some 41 years ago, the international community was plunged into a Second World War. Immense human and material resources were expended to meet the threat of totalitarianism. But it was not until the end of this war that the true magnitude of the human toll was revealed to us in the death camps. Today, our challenge is essentially the same. Are we prepared to live in a world where the structures of global cooperation

will have been replaced by the worst kind of international struggle for survival? Are we prepared to accept the hidden holocaust as an inevitable condition of the human race? If the answer is yes, then we will have regressed from where our consciousness and values were as a nation 36 years ago when we recoiled in horror from the Jewish holocaust.

We Americans have never feared change or retreated from challenges. To the contrary, I sincerely feel that most of the change for the better that is taking place today has been prompted by our very presence in the world, our ideals, our ways, and our responses. We created the United Nations not to put the brakes on change or shrink from challenge, but to design our future. The seeds of our ideals that we planted with the United Nations 36 years ago can grow into a bountiful harvest--as long as we have the will and the foresight to cultivate with care and compassion this fragile structure of global cooperation.

Richard L. McCall

Richard L. McCall

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

PROGRAM SUMMARY (In millions of dollars)		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
260.0*	262.4*	247

FY 82 PROGRAM HIGHLIGHTS
-UNDP embarks upon its 3rd Program Cycle (1982-1986) with a proposed budget expanded by 93% to \$6.5 billion. 80% of its country Programs will go to countries having \$500 per capita annual income or less; 19% on regional and global undertakings. - UNICEF must expand its budget by 20% annually to accommodate the 110 million increase in child population from 1980-85. - the Arab Gulf Fund (OPEC) will be making substantial annual contributions to the UN system.

The United Nations, its specialized agencies and programs, and the Organization of American States have become increasingly important and effective in fostering global development. Now more than ever these multilateral programs contribute to development in ways not possible for bilateral donors. UN and OAS activities are currently viewed as an indispensable complement to bilateral programs and the loan activities of MDBs because of their inherent advantages which include:

--UN feasibility studies, technical assistance and project development work can lay the groundwork for major capital inputs from multilateral banks, bilateral donors, or private sector institutions; the United Nations Development Program (UNDP) alone generates follow-up investment commitments of almost \$5 billion annually.

*includes for UNRWA \$52 million in 1980 and 1981

--The UN can draw upon technical advisors from the entire world for the correct mix of expertise, experience and linguistic qualifications for its programs.

--The role of the UNDP Resident Representative in country programming is usually far more important than the funding level of the UN Program would indicate in improving the overall coordination and development planning efforts of the recipient countries.

--UN programs allow access to developing countries where the United States and other major bilateral donors may not be able to operate. For example, UNICEF provided relief to children on both sides of the Nigerian civil war, and continues as a principal coordinator of refugee relief activities today in situations where most bilateral donors cannot undertake such programs.

--UN programs promote international burdensharing. In most United Nations system development programs, each U.S. dollar is matched by four or five from other donors. Moreover, a substantial portion of the funding of most major UN programs is expended annually in the U.S., often approaching or even exceeding the annual U.S. contributions to those programs.

--The newly-defined global strategies of major UN agencies with their concentration on the poorest LDCs and expansion of inter-country and regional programs more than ever complement the Basic Human Needs emphasis of the U.S. foreign assistance program. In keeping with the priorities ordained by Global 2000 there is a marked trend of increasing emphasis on Food and Nutrition, Energy, and arresting further degradation of LDCs' already fragile ecological systems.

--Improved relations with LDCs result from cooperative international problem solving in a global context. As global or regional bodies, U.N. agencies can mobilize effective action on issues that transcend national boundaries such as environmental protection, pest and disease control.

--The nature of the planning and implementation of UN programs encourages self-reliance, avoids straining donor-recipient relationships

and promotes respect for recipient country priorities -- all of which stimulates a sense of responsibility and accountability for their own development among recipient governments.

-- They reach some 152 recipient nations and territories, almost threefold the number now being addressed by U.S. bilateral assistance.

-- As most bilateral assistance programs have become more narrowed in focus during the past decade, these multilateral programs have become all the more critical in providing needed assistance in sectors no longer addressed by principal bilateral donors, such as low-cost rural health delivery systems and campaigns to promote literacy, exports, industrial development, and development administration.

-- They can deal also with subjects such as economic planning or educational curriculum development which are sometimes considered by the recipient country to be too sensitive to permit use of bilateral technical assistance. The International Organizations strategy for FY 1982 directs the preponderance of U.S. financial assistance to the United Nations system of development agencies to two of its principal members, the United Nations Development Program (UNDP), and UNICEF. These two agencies merit this degree of emphasis given their demonstrated proficiencies to date, their accepted roles within the world community, and the strategies they propose for this next decade.

UNDP

-- The Brandt Commission declared, "There should... be greater support for technical assistance including the UNDP and its participating agencies, which provide an important channel transmitting technology; they need to be enlarged and made more effective."

-- If the development effort is to move forward effectively in an era of limited resources, such as the 1980s may prove to be, it is especially vital that a proper capital-technical assistance ratio be maintained in the development mix.

--General purpose grant technical cooperation of the kind provided by UNDP can do much to rectify the waste resulting from the absence or inadequacy of technical support and infrastructure required to make effective use of capital inputs.

--The Third World considers UNDP to be one of its major chosen instruments for development. It is the largest and most important of the technical assistance entities engaged in the development activities and, fortunately, one of the best administered.

-- The U.S. can look toward this agency to assume an expanded and more meaningful role in inaugurating its Third Program Cycle (1982-86). 80% of UNDP country resources in the Third Program Cycle will go to countries having a per capita annual income of \$500 or less; 39% of UNDP's total resources are earmarked for the 32 least-developed countries, and 19% of total resources will be used in inter-country and regional programs which only a multilateral institution can propose and implement.

-- Structurally UNDP is reorganizing itself at the headquarters level incorporating modern techniques in information storage and retrieval, and restructuring its program management and project evaluation systems to assure that it will fulfill the greatly expanded role expected of it by the international community during the decade of the eighties.

-- UNDP has shown its institutional adeptness at the field level of operations as a coordinating agency. We consider UNDP's continuing to fulfill this role as

critical in providing an inter-disciplinary problem solving approach to the problems which LDCs will face over the next decade.

--The problems engendered by the energy crisis are now being compounded with each passing year by growing economic and financial difficulties of most LDCs. The UNDP is the major instrumentality which allows access to every discipline required to assess these problems, formulate realistic solutions and solicit the resources required to resolve them. While the individual UNDP country programs are designed by each recipient country on the basis of Indicative Planning Figures, UNDP can, nevertheless, shape an overall strategy which, while accommodating the individual needs of its 152 member clientele, can simultaneously address global priorities and pressing regional needs.

UNICEF

-- With a child population (0-15) in the Third World expected to reach 1,469,516,000 by 1985, up by more than 110,000,000 from 1980, UNICEF faces an uphill battle to help poorer countries to provide even minimal basic services to children. In attempting to meet this challenge UNICEF hopes to expand its income by at least 20% annually.

-- UNICEF programs are aimed primarily at basic human needs, and UNICEF as an organization has demonstrated convincingly that it has the staff and institutional capability to undertake more meaningful programs with lasting beneficial effects in fulfilling these needs.

-- Out of 960 million children in 110 developing countries served by UNICEF last year, some 400 million lacked even minimum facilities in maternal and child health services, clean water, nutrition, or education. As UNICEF goes into this decade it will be working closely with other UN agencies, notably, WHO, FAO, and UNESCO to devise a multi-disciplinary approach to village health and nutritional systems which the U.S. would fully support such an approach as a matter of policy.

-- UNICEF has demonstrated an ability to grow rapidly over the past decade (1970 income \$59 million; 1980 estimated income \$250 million) with increased field effectiveness. As of June 1980, \$230 million of fully staffed-out and approved projects had to be left unimplemented due to a lack of funds.

Other UN Agencies and the OAS

UNDP and UNICEF should not by their size and relative importance preclude the U.S. from participating in and supporting programs of other functionally specific and smaller UN agencies. These have evolved during the past two decades to address common problems or programs deemed very significant by the world community as these became identified.

The more specialized UN programs and the OAS qualify more than ever for U.S. support in FY 82, given the nature and scope of the problems they are addressing and the increasing proficiencies they can bring to bear. The U.S. was instrumental in initiating many of these agencies to focus on highly specialized needs of the LDC community in particular, and in some instances, the problems of world community at large. The scale of the initial problems identified has not diminished but grown with time. In some cases the agencies concerned have been quite successful in reducing the adverse consequences of the problems originally cited. In all cases they have been instrumental in evoking a collective awareness, responsibility, and responsiveness to these issues.

A. Other UN Technical and Food Assistance Programs

UN Interim Fund for Science and Technology

-- The UN Interim Fund for Science and Technology serves to improve the capacity of LDCs to utilize S & T for their own development. The focus of the Interim Fund -- infrastructure for S & T for development -- is recognized by many experts as a key component for

building self-reliance in developing countries, and as such is an issue of major concern to the Third World.

-- The Interim Fund is managed by UNDP in order to take advantage of UNDP's administrative resources and extensive field network, thereby limiting additional overhead costs and ensuring coordination with more generalized development efforts in the poorest countries

-- The Fund is devoted principally to the development, on a long-range and coherent basis, of human and institutional capabilities in the areas of science and technology which are required to build both the internal institutions and the external linkages that would enable LDCs to make effective use of current knowledge.

-- Over 800 project proposals for support by the Interim Fund were received in 1980, and nineteen projects received final approval for early implementation. Some of the fields in which projects have been proposed are: S & T policy planning and infrastructure development; choice, acquisition and use of technology; educational training in S & T; and strengthening research and development capacities and linking them to the productive sector.

UN Capital Development Fund (UNCDF)

-- The UN Capital Development Fund (UNCDF), under management of the UNDP Administrator and subject to policy guidelines of the UNDP Governing Council, supplements the role of UNDP by providing seed money for catalytic demonstration projects. The Fund's commitments extend to the poorest people in the most impoverished nations of the world. Currently, particular emphasis is being given to the drought-stricken Sudano-Sahelian zone of Africa.

-- In addition to serving U.S. interests in bringing grassroots humanitarian and economic assistance to the poorest levels of society, the UNCDF emphasizes self-

help appropriate light capital technology projects - projects too small to qualify for funding by the multi-lateral development banks. Flexible and quickly responsive vis-a-vis project design and initiation, the Fund is a particularly beneficial adjunct of the UNDP.

World Food Program (WFP)

-- The cash contribution to the World Food Program enhances administration of the WFP's food-for-work development programs and its world-wide emergency food assistance programs. Approximately 17% of WFP's total resources are used for the latter, with food-for-work to enable LDC governments to finance long-range rehabilitation activities in the wake of natural disasters comprising the preponderance of WFP activities. This has allowed remedial undertakings which otherwise LDC governments would not have been able to consider.

B. UN Scientific Programs

International Atomic Energy Agency (IAEA)

-- The IAEA undertakes inter-related activities which promote LDC and other countries' adherence to nuclear non-proliferation and reinforce IAEA's regular budget-funded program of safeguards inspection. The research projects it conducts assist developing countries in the peaceful use of nuclear energy.

World Meteorological Organization (WMO)

-- The world-wide exchange of weather data under WMO auspices enables developing and developed nations alike to improve their weather forecasting. The more sophisticated and accurate the state of this art has become in recent years, the more important the role of WMO in assuring prompt and accurate dissemination of information. The work of WMO in assisting developing countries to monitor, collect and disseminate weather data saves US agriculture and transportation industries millions of dollars each year, far more than the U.S. contributions to the organization.

United Nations Environmental Program (UNEP)

-- The principal goal of UNEP's program is to stimulate assessment of major global and regional environmental hazards and to catalyze and coordinate action to improve environmental management. 60% of UNEP resources are assigned to global projects. Its environmental activities address a wide range of health, social and economic concerns in all sectors. Current efforts include studies in desertification, tropical deforestation, and pollution of the seas.

C. Small UN Programs

UN Voluntary Fund for the Decade for Women

-- The basic objective of this fund is to improve the status of women in the least-developed countries by helping to improve the conditions of their lives and their children through development of skills which enable them to become more self-sufficient. Special consideration is given to those projects which benefit rural women whose situation is worsening. Projects focusing on their specific needs in order to provide income-generating skills will be given special emphasis.

The Southern African Development Fund

-- This Fund includes two educational programs and the UN Trust Fund to assist southern African territories approaching independence, especially Namibia, and to help victims of apartheid in the area. U.S. contributions to these programs are essential to continued demonstration of the importance the U.S. attaches to the peaceful transition of these territories to majority rule and to the elimination of apartheid.

Programs of the Organization of American States (OAS)

-- The OAS assistance programs are major sources of multilateral technical assistance in the hemisphere

utilizing talents and resources within the Americas to resolve national and regional problems. The OAS continues to concentrate on developing the human and institutional resources required to strengthen governmental infrastructure and private sectors of member states. To date it has trained some 75,000 individuals, some 20,000 of these since the Alliance for Progress. Those with specialized training and advanced degrees now make up the staffs of the network of 10 OAS training centers (Land and Water Utilization; Development Administration; Social Development; Foot and Mouth Disease; etc.), and the 24 Inter-American Centers hosted by member countries and having international staffs and student bodies operating under the OAS aegis. As a result of this steady and impressive build-up of native talents within the Americas, most of the OAS Technical Assistance Teams are made up of expertise from its member countries.

-- Other multilateral and bilateral donor agencies have come to recognize the inherent worth of the OAS. Much of the current UNDP staff in Latin America received its training under OAS auspices; the UNDP relies more and more on OAS as executing agent for its activities in this hemisphere. In their respective fields of endeavor, OAS and UNDP have worked out a mutually complementary relationship, with OAS mustering indigenous talents, and UNDP concentrating for the most part in providing particular expertise and specialties that lie outside the region. OAS is looked upon as the prime mover in regional and river basin development schemes, and more recently in concentrating on underprivileged areas which extend across several national frontiers.

-- The OAS is able to mobilize the entire Inter-American system behind its technical assistance projects. OAS feasibility studies and project development work has led directly to follow-up funding by the Inter-American Development Bank as well as other international financial institutions. The total of the spinoff has been estimated at approximately \$6 billion in the past decade. OAS projects have drawn on the technical and

other resources of the Inter-American Institute of Agricultural Sciences (IICA) and the Pan American Health Organization, to provide an integral approach to specific technical assistance goals. The OAS Council for Economic and Social Affairs and the OAS Council for Educational, Scientific and Cultural Affairs have ordained priorities for the eighties which closely coincide with those of U.S. foreign assistance in food production, alternative sources of energy, and social development.

The degree of United States' support requested for these multilateral programs will enhance U.S. leadership in international development affairs, improve U.S. relationships with less developed countries, promote international financial burden-sharing, and enable the UN and OAS to address more effectively specific global problems. These contributions will also benefit the United States economy by strengthening international trade. In addition, our contributions are substantially offset by the U.S. goods and services purchased by these programs, and by the support these programs give the private as well as the public sector.

With the majority of its members consisting of developing countries, the United Nations has become the principal forum for the North-South dialogue, and provides a means of communication between the industrial and the developing nations on issues of vital mutual concern. Our ability to influence that dialogue while serving our own interests is enhanced by the degree to which we support the development programs of the United Nations.

Our foreign policy interests will benefit directly from the voluntary U.S. contributions proposed for FY 1982. The development activities of the United Nations and the OAS strengthen the member nations of those organizations in their ability to deal harmoniously with the closely related issues of development, global systems of cooperation and regulation, social advance-

ment, and political security.

The growing requirements of the developing world, the expanding activities of the UN family of agencies and OAS in response to global needs, the global rate of inflation and the fact that the level requested for FY 80 and FY 81 were not realized, argue strongly for increased funding for these multilateral activities. A higher level of funding in FY 82 is essential if they are to fulfill the critical roles we and other nations envisage for them during the next decade.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS
(In thousands of dollars)

	<u>FY 1980</u> <u>Actual</u>	<u>FY 1981</u> <u>Estimated</u> ^{2/}	<u>FY 1982</u> <u>Proposed</u>
I <u>PREMARIILY DEVELOPMENT PROGRAMS:</u>			
UN Development Program (UNDP)	126,050	126,100	145,000
UN Interim Fund for Science and Technology for Development (S and T)	---	---	10,000
UN Children's Fund (UNICEF)	34,600	36,000	45,000
<u>OAS Assistance Programs (OAS):</u> SUBTOTAL	15,500	15,500	16,500
Special Multilateral Fund (SMF)	(6,500)	(6,500)	(6,900)
Special Projects (Mar del Plata)	(2,600)	(2,600)	(2,300)
Special Development Assistance Fund (SDAF)	(6,000)	(6,000)	(6,900)
Special Cultural Fund (SCF)	(400)	(400)	(400)
UN Capital Development Fund (UNCDF)	2,000	2,000	2,000
FAO World Food Program(WFP/Administrative Costs)	2,000	2,000	2,500
SUBTOTALS	180,150	181,600	221,000
II <u>OTHER PROGRAMS:</u>			
<u>UN Southern Africa Development Fund:</u> SUBTOTAL	1,800	1,900	1,900
UN Institute for Namibia	(500)	(500)	(500)
UN Trust Fund for South Africa	(300)	(400)	(400)
UN Education and Training Program for Southern Africa (UNETPSA)	(1,000)	(1,000)	(1,000)
UN Decade for Women	1,000	1,000	1,000
World Meteorological Organization/Voluntary Cooperation Program (WMO/VCP)	2,000	2,300	2,300
International Atomic Energy Agency (IAEA)	12,000	12,500	14,100
UN Environment Program (UNEP)	10,000	10,000	7,200
UNESCO World Heritage Trust Fund	300	330	---
UN Institute for Training and Research (UNITAR)	500	500	---
UN Disaster Relief Office (UNDRO)	250	250	---
Convention on International Trade in Endangered Species (CITES)	---	---	150
SUBTOTALS	27,850 ^{1/}	28,780	26,650
TOTALS	208,000 ^{1/}	210,380 ^{1/}	247,650 ^{1/}

^{1/} Does not include \$52 million for the UN Relief and Works Agency (UNRWA) which is to be funded in the Migration and Refugee Assistance budget of the State Department in FY 1982.

^{2/} The regular appropriation for this account for 1981 had not been enacted at the time the budget was prepared. Funding is currently provided by a continuing resolution (P.L. 96-536).

UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
126	126.1	145

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - concentration of resources on neediest LDCs, with 39% of Third Programming Cycle funds earmarked for the world's poorest countries and a total of 80% of UNDP country program funding allocated for countries having per capita incomes of \$500 or less; - beneficiary countries with per capita incomes above \$1,500 will begin reimbursing UNDP on a progressively increasing scale for assistance received; - augmented beneficiary participation in project formulation, implementation and follow-up; - increasing reliance on technical expertise and institutions within recipient countries, with emphasis on appropriate technology and technical cooperation amongst LDCs.

Purpose: To provide systematic, sustained and coordinated assistance in fields essential to technical, economic and social development of poor member countries.

Background: UNDP was created in 1966 through the merger of the UN Expanded Program of Technical Assistance and the UN Special Fund. Consolidation permitted a streamlining of operations and organization, and facilitated overall planning, coordination and effectiveness of the varied forms of assistance being provided by 35 Specialized Agencies and Programs of the UN system. In its formative years UNDP concentrated on pre-investment feasibility studies, but in the early seventies emphasis shifted to technical assistance, which now accounts for 80% of the UNDP program. In the 1980s the mixture between technical

assistance and pre-investment activities will again alter to reflect the importance of the latter activity to the World Bank and other lending institutions. UNDP categorizes its project activities under five main headings: (a) surveying natural resources and identifying industrial and commercial potential; (b) stimulating capital investment; (c) training in a wide range of vocational and professional skills; (d) transferring appropriate technologies and enhancing recipient utilization capabilities; and (e) promoting economic and social planning.

Some 95% of UNDP-funded projects are carried out by UN Specialized Agencies and programs, including WHO, FAO, UNIDO, and others. UNDP is the main channel for UN development assistance. Through its extensive network of 113 field offices in LDCs (the world's largest development network), it administers projects amounting to over \$600 million annually in 152 countries and territories. UNDP Resident Representatives also exercise a critical coordinating and leadership role in the field, where nearly 90% of UNDP staff are located. Because of its central role in the UN system, UNDP can draw upon a large pool of qualified talent and can provide experts on a timely and economical basis which compares very favorably with most bilateral programs. Projects are decided on the basis of priorities defined by the recipient countries themselves. This identification with local priorities is important, because UNDP funding rarely covers more than 40% of total costs, and it is incumbent on the recipient countries to provide the balance in order to ensure successful project completion. Because of its limited funding and the large number of countries served, most UNDP projects cost less than \$400,000. This encourages UNDP to pursue an innovative pilot role, exploring new development possibilities, as well as undertaking small projects which are of less interest to other major aid donors.

Agriculture, forestry and fisheries absorbed 26% of UNDP resources in 1979; transportation and communications 12.7%; industry 11.7%; natural resources 10.8%; development policy and planning 10.8%; human settlements and other social services 7.3%; education 7%; employment 6.7%; health 4%; and international trade 3%. Despite the modest size of its annual program, UNDP generates follow-up investment commitments by the World Bank and other multilateral lending institutions which totalled \$4.6 billion in 1979 alone. The UNDP presence is therefore complementary in

many respects with the aid programs of the United States, the World Bank, and of other important donors.

UNDP's budget is funded entirely by voluntary contributions. Receipts for its 1980 program are expected to reach nearly \$720 million. The U.S. pledge of \$126 million will represent 17.5% of total contributions.

U.S. Interests: International stability and preservation of an environment conducive to trade and investment are fundamental U.S. interests which are well served by channelling development resources through UNDP. (In fact, Soviet representatives have characterized UNDP as being one of the most effective "tools" of U.S. foreign policy.) U.S. development interests, including the importance attached to agricultural production, are reflected in UNDP programming. The head of UNDP and a considerable number of its staff and experts are of U.S. nationality. The U.S. economy benefits, directly and increasingly, from UNDP outlays in the form of contracts for equipment and services awarded to U.S. firms, headquarters expenses, salaries paid to U.S. nationals, and reimbursement for fellowships awarded in the U.S. In relation to the \$126 million which the U.S. has pledged towards UNDP's global development activities in 1980, it is estimated that U.S. firms and individuals will derive considerably more in income than the amount of the U.S. contribution.

Other Donors: UNDP estimates that each dollar of U.S. contributions is matched by \$4.50 from other sources, which range from the traditional donors of Western Europe to the dozen or more LDCs which have made the transition from aid recipient to "net donor." Major pledges to the 1980 program include \$79 million from the Netherlands (11% of estimated total receipts); \$76 million from Sweden; \$64 million from the FRG; \$61 million from Denmark; \$48 million from Norway; \$45 million from the United Kingdom; \$41 million from Japan, and \$35 million from Canada. The U.S.-funded portion of total UNDP receipts has declined from 36.8% in 1966 to 17.5% in 1980.

It is understood that a very significant OPEC country input can be expected in 1981. The newly-constituted Arab Gulf Foundation (Saudi Arabia, United Arab Emirates, Iraq, Kuwait, and Qatar) is now formulating a substantial pledge for that year in response to the UNDP Administrator's appeals for financial support.

FY 1982 Program: This will be the first year of the Third Program Cycle (1982-86), heralding a concentration of UNDP efforts on the World's poorest countries. 39% of UNDP resources will be allocated to those countries designated as the very poorest (LLDCs), and altogether some 80% of UNDP individual country resources will be earmarked for countries having a per capita income below \$500. The share of resources available for inter-country and regional development will rise to 19%. Countries having a per capita income above \$1,500 will begin to reimburse UNDP for assistance received. There will also be increasing pressure on Soviet bloc donors to make their contributions in convertible currencies.

In other respects the 1982 program is expected to cover the same areas of priority interest to LDC recipients elaborated above, although UNDP will encourage greater participation in project implementation at local level and increasing responsibility on the part of recipient governments in the process of project formulation and appropriate follow-up through integrated planning. With so much of the program concentrated on the low per capita income countries, there should be a commensurately greater impact on the poorest populations. Greater recourse will be made to local technical resources and institutions, and UNDP will continue to promote the concept of technical cooperation among developing countries.

UNITED NATIONS CHILDREN'S EMERGENCY FUND (UNICEF)

PROGRAM SUMMARY (In millions of dollars)		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
34.6	36	45

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - extension of integrated basic health care services in the form of maternal and child health, clean water, good sanitation, adequate nutrition, responsible parenthood, and formal and non-formal education to over 500,000 children not currently served by UNICEF. - provision of necessary financial support to help UNICEF implement some \$230 million worth of desirable, although unfunded, projects.

Purpose: To encourage and assist the long-range development and welfare of the poorest children in the developing countries through the provision of basic health care.

Background: The United Nations General Assembly created UNICEF in 1946 to aid the impoverished children left in the wake of destruction caused by World War II. Although originally an emergency program, UNICEF had evolved by 1953 into a long-term voluntary development fund aimed at improving conditions for the children of the developing world.

UNICEF presently aids children in 110 countries. Often with the cooperation of other multilateral and bilateral organizations, the countries and UNICEF act as partners in all stages of UNICEF-assisted projects. Normally, the individual governments set their priorities as a result of careful studies of major needs, and UNICEF plans and implements the mutually agreed upon projects for the poorest of the poor.

UNICEF embodies the Basic Services approach to projects in an effort to direct the Less Developed Countries (LDCs) to make better use of their local resources at the community level. This community participation in grass roots programs in the inter-related fields of maternal and child health and nutrition, clean water and sanitation, education and improved family planning directly benefits the young.

UNICEF assistance is allocated on a sliding scale according to the need of the country. The per-child allocation is five times greater to the poorest countries than it is to countries of middle income.

UNICEF continues to play a leading role in the international relief effort in Kampuchea as well as in provision of emergency assistance needed in times of earthquakes, floods, and other natural disasters.

U.S. Interests: UNICEF is an especially valuable multilateral channel which contributes to long-range U.S. goals of helping the poorest people in poor countries while promoting Third World development and political stability at the same time. UNICEF follows the Congressional New Directions mandate by funding programs designed to meet specific human needs with projects which the developing countries can manage themselves. Its focus is on self-help and on building self-reliance. UNICEF assists in politically sensitive areas -- including both sides in civil wars such as Nigeria/Biafra -- and yet still receives support from nations of all political persuasions.

Other Donors: While the United States has been a leader in UNICEF from its inception, the U.S. share in government contributions has fallen off from 68.9 percent in the period 1947-53 to under 20 percent currently. The United States, with its \$30 million contribution in FY 1979, remained the single largest donor nation. Other leading contributors are: Sweden - \$26 million; the United Kingdom - \$17.2 million; Norway - \$14.9 million; the Netherlands - \$14.2 million; and Switzerland - \$9.7 million.

FY 1982 Program: Some 960 million children live in the developing countries served by UNICEF. Of these, some 400 million lack the bare minimum in health services. A contribution of \$45 million would provide an estimated 4.5 million of these children with basic health care for a year or would provide some 62 million children with safe drinking water. UNICEF's role in alleviating specific problems in sanitation, nutrition, and education via provisions of equipment, training and technical guidance has become all the more critical in the decade of the eighties.

UNITED NATIONS INTERIM FUND FOR SCIENCE AND TECHNOLOGY
FOR DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
-0-	-0-	10

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - improvement of scientific and technological capacities of developing countries, to overcome problems arising from their inadequate infrastructure which does not permit them to apply science and technology effectively to economic and social development. - marked success in stimulating within LDCs the interest in building their own comprehensive S&T capability. - administration by UNDP, an organization with proven expertise which can take on the Fund with a minimum in overhead costs and assure productive coordination with other development assistance activities.

Purpose: To strengthen LDC capabilities to employ science and technology in their development process .

Background: The Interim Fund was established with U.S. support at the 1979 UN Conference on Science and Technology for Development. Pending further deliberations and international agreement on long-term S&T financing, the Interim Fund is intended to assist in the building of infrastructure for S&T for development; establishment of information systems by which LDCs will acquire greater knowledge of available and appropriate technology; and human resource development. LDCs will be assisted in strengthening government policies and institutional services relating to research and development in such areas as industrial development, agriculture, nutrition and public health, and energy. Special attention will be given to those countries identified as the least developed. The Interim Fund is administered by UNDP, in order to ensure complementarity with the other international cooperative efforts and to reduce overhead. The Fund was declared operational in May 1980. Over 800 project proposals were received,

nineteen of which received final approval, during that year.

U.S. Interests: The Fund will strengthen existing cooperative efforts in S&T for development by rallying multi-donor support for activities which complement U.S. bilateral assistance, thus maximizing the effect the U.S. gets for its development dollar investment. Improving a recipient country's capacity to use S&T for development should also lead to increased self-reliance and a reduced need for infusions of U.S. bilateral aid. Furthermore, the capacity of the U.S. to expand its international markets depends directly upon the absorptive capacity in LDCs which would be stimulated by an increase in their S&T capabilities.

Other Donors: Major contributions have been made by Italy (\$9.6 million), Federal Republic of Germany (\$5.7 million), Netherlands (\$5 million), Sweden (\$5 million), Austria (\$2 million), Denmark (\$2 million), Norway (\$2 million), Switzerland (\$2 million), Finland (\$1.1 million), and Saudi Arabia (\$1 million). Pledges to the Interim Fund during 1980 totalled \$50 million, including the U.S. pledge of \$10 million for the first year, as yet not appropriated by Congress. Many countries are watching the U.S. with respect to our contribution to the Fund. It is expected that significant contributions from OPEC countries will match future U.S. contributions.

FY 1982 Program: The first year of the Interim Fund saw the receipt of over eight hundred project proposals and the selection by the end of 1980 of nineteen projects for implementation. In the coming year the Interim Fund will make further evaluation of proposals already received and of new ones still being submitted. Consideration will be given to the appropriateness of each project with respect to the objectives of the Fund and the viability of the project in relation to its design, outputs, budget and executing arrangements, and also its compatibility with respect to other development activities in the countries concerned. The LDCs are formulating project proposals in accordance with their own perception of development priorities and needs, but the extent to which these can be met and shaped by the Interim Fund depends upon the resources acquired by the Fund during FY 1982. U.S. support for the Interim Fund would provide tangible evidence of the often voiced U.S. commitment to scientific and technological development in the 3rd World.

UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
2.0	2.0	2.0

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - increased UNCDF concentration on the least-developed countries (LLDCs). - within the LLDCs, the evolving nature of the UNCDF program concentrates more on the poorest echelons of their societies. - over 3/4 of UNCDF's project approvals will be in the fields of agriculture or agro-industries, rural health and nutrition or alternative sources of energy.

Purpose: The Fund is to provide, on a grant basis, seed money for pre-investment oriented activities for both private and public sector projects too small for financing by multilateral development banks. The Fund's commitments extend almost entirely to the least developed countries and with particular reference to the drought stricken Sahelian Zone and other of Africa's poorest and neediest nations.

Background: The UN General Assembly established the UNCDF in 1966. In 1967, the General Assembly placed the Fund under the management of the Administrator of the United Nations Development Program (UNDP) where it is subject to policy guidance from the UNDP Governing Council. The U.S. became a contributor for the first time in 1978 with a pledge of \$2.0 million. Projects are executed by the UN Specialized Agencies, working with host country governments, banks, private groups and entrepreneurs. Projects approved reflect application of capital-saving technologies in agro-industry, rural electrification, food production, and health and nutrition services. By the end

of 1979, the UNCDF was assisting in 133 projects in 32 countries at a cost of \$112.4 million. During 1979, the Fund approved 41 projects totalling \$41.2 million. This represented a 57% increase over the previous four year cumulative total and resulted from a decision to shift to a partial project funding policy. Many of these projects were being managed by the recipient nations.

U.S. Interests: U.S. Government interests in bringing grass-roots level humanitarian and economic assistance to the poorest levels of society are well served by UNCDF. In common with the U.S. bilateral assistance program, UNCDF has stressed the need to focus on the least developed countries, and in particular the basic needs of their rural populations. UNCDF activities concentrate on food production, village self-help initiatives, and the conservation of energy or the development of alternative sources. UNCDF stresses the importance of adopting capital saving technologies. In 1979, nearly 3/4 of UNCDF's project approvals were in the fields of rural health and nutrition (including potable water supplies), agricultural production, and small industries. It has demonstrated that it can bring capabilities to bear not otherwise available from the U.S. or other bilateral donors.

Other Donors: Other major contributors since the Fund's inception are the Netherlands (\$46 million), Sweden (\$29.9 million), Norway (\$14.2 million) and Denmark (\$8.5 million). Important developing country contributors are Yugoslavia (\$3.9 million), India (\$1.7 million) and Pakistan (\$1.2 million). Total pledges for 1980 were \$28.7 million. Cumulative contributions for 1968-80 were \$141.0 million.

FY 1982 Program: The extent to which UNCDF can expand its 1982 program will be limited by the level of donor commitments. While these have grown gradually during the past several years, they do not permit an expansion to the extent of UNCDF's proven capacity or to address all requests for assistance now outstanding. Nevertheless, the thrust of their programs will continue to focus on the rural poor in the least developed countries. Special attention will be given to activities which increase food production or assist the rural poor in obtaining their basic needs.

WORLD FOOD PROGRAM
(WFP)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
2.0	2.0	2.5

FY 82 PROGRAM HIGHLIGHTS
<p>- WFP estimated 1982 commitments are \$510 million. Over 70% of these funds will be channeled into agricultural development activities. LLDCs and the Most Seriously Affected (MSAs) countries will receive approximately 80% of the overall total.</p>

Purpose: To provide administrative and other cash costs in dispensing food aid for economic and social development and for food emergencies world-wide.

Background: The World Food Program was established in 1962 under the auspices of the United Nations and the Food and Agriculture Organization. From its inception through December 1979, some \$2.6 billion in commodities and cash have been used for development projects, largely food-for-work projects, while \$422 million was devoted to emergency food aid. In addition, the program has distributed \$278 million -- for commodities and shipping costs -- entrusted to it by donor countries under the Food Aid Conventions of 1968 and 1971. The Committee on Food Aid Policies and Programs, which gives WFP its overall policy guidance, also has responsibility within the UN system to recommend ways to utilize international food aid more effectively and rapidly.

The WFP uses its resources in a variety of development and rehabilitation programs. There are, for example, "food-for-work" projects where food is provided as payment to workers planting trees, digging irrigation canals, constructing conservation works and fish ponds, and building roads, schools, bridges, and other community improvement projects. WFP food is also used in hospitals, child-care centers and school feeding programs, and in resettlement programs for refugees.

U.S. Interests: The WFP devotes on the average about 80% of its development resources to the least-developed or the Most Seriously Affected Countries. Approximately 79% of WFP's projects are concerned with agricultural development. These are most frequently directed towards increased agricultural outputs through improvement of traditional agricultural practices. WFP activities, therefore, are highly consistent with USG development priorities. The WFP also furthers the aims of PL 480 Title II by effectively utilizing Title II commodities in situations where the USG might have difficulty operating in a purely bilateral context.

Other Donors: Over the years, the U.S. has contributed approximately one-third of WFP's resources. The biennial contributions of the U.S. have decreased from a high of 59% of total pledges in 1963 to a current level of 29% for the 1981/82 biennium. For 1981/82, the U.S. pledged \$220 million. Other principal donors and their expected contributions to the WFP for 1981/82 are Canada (2%); the Netherlands (7%); Saudi Arabia (7%); Denmark (5%); and the Federal Republic of Germany (6%). The EEC has begun to make large annual commitments; in 1980 it announced a contribution of an estimated \$57 million. The U.S. cash contribution to the WFP encourages contributions from other countries which cannot provide food aid. For example, Saudi Arabia became a donor in 1977. Its cash contribution in 1979-80 was \$55 million.

FY 1982 Program: The WFP has set a \$1 billion pledging target for the 1981/82 biennium. Total pledges by November, 1980 amounted to \$735 million. Projected commitments for FY 1982 are \$475 million for social and economic development projects, and \$45 million for emergencies. This \$2.5 million cash contribution specifically goes for WFP administrative and distribution costs. It will help meet rising freight costs and other world-wide inflationary trends.

INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
12	12.5	14.1

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - development of techniques for verification of spent fuel and the testing of safeguards on spent fuel storage; - increased emphasis on instrumentation and systems that must be applied by IAEA to sensitive facilities, including enrichment and reprocessing plants; - technical assistance in peaceful use of atomic energy in approximately 100 countries.

Purpose: To maintain U.S. support for IAEA's voluntarily funded technical assistance program, including its special program for the benefit of LDCs party to the Non-Proliferation Treaty, and to continue U.S. support for IAEA safeguards and other non-proliferation activities at a level which will enable IAEA to meet its increasing inspection responsibilities.

Background: The IAEA technical assistance program was launched in the late 1950s to provide training and equipment to LDCs in furtherance of peaceful uses of nuclear energy. The voluntary safeguards support program was initiated in 1975 and is intended to enhance IAEA's ability to ensure that nuclear non-proliferation safeguards are observed. Approximately 100 countries in Africa, Asia, Latin America, Europe, and the Pacific are currently receiving technical assistance under this program. The technical assistance program is intended to promote the transfer of skills and knowledge relating to

peaceful uses of atomic energy, and to assist LDCs in implementing their national nuclear energy plans with safety. Other achievements of the safeguards support program include the supply of portable verification equipment, improvements to the safeguards information system, and provision of experts to assist LDCs in providing safeguards information, measurements and surveillance.

U.S. Interests: The voluntary safeguards support program is complementary to non-proliferation and safeguards activities covered under the regular budget of the IAEA. U.S. voluntary assistance to the technical assistance program maintains LDC interest generally in the IAEA and thereby contributes directly to U.S. non-proliferation objectives. These programs also generate income for U.S. firms and individuals.

Other Donors: A total of 72 IAEA member countries have pledged voluntary contributions for the 1979 technical assistance program. These include Canada (\$276,000) France (\$300,000); FRG (\$700,000); Japan (\$696,000); the Netherlands (\$129,000); Sweden (\$112,000); USSR (\$3,136,000); and the United Kingdom(\$392,000).

FY 1982 Program:

The FY 1982 program will focus on the utilization of instruments and the implementation of systems which have been developed through the U.S. Program of Technical Assistance to IAEA safeguards. Work will continue on the development of techniques for verification of spent fuel and the testing of safeguards on spent fuel. U.S. technical assistance will be in the form of equipment, services of U.S. experts, fellowships and training courses, including preferential programs for LDCs party to the Non-Proliferation Treaty.

WORLD METEOROLOGICAL ORGANIZATION (WMO)
(Voluntary Cooperation Program)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
2.0	2.3	2.3

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - continuing training and equipment to enhance LDC data collection, processing and dissemination capabilities; - increased reliance on timely and reliable weather data from LDCs in furtherance of WMO's additional responsibilities for monitoring environmental degradation and related climatic programs; - concentration of U.S. assistance through WMO's Voluntary Cooperation Program (VCP) in certain Latin American countries.

Purpose: WMO's Voluntary Cooperation Program (VCP) assists LDCs, through provision of training and equipment, in improving their national meteorological and hydrological services, in applying weather data to relevant sectors of their national economies, as well as enabling them to participate in the World Weather Watch program.

Background: The Voluntary Cooperation Program, funded by voluntary contributions of WMO member states, was established in 1967 to enhance the capacity of LDCs to participate in the World Weather Watch. The purpose of the program is to maintain surveillance over atmospheric and oceanic conditions, and to arrange for the rapid collection and exchange of weather data on a global basis. VCP provides assistance to upgrade LDC basic observation networks and related telecommunications systems to improve local data processing capabilities and to improve weather forecasting techniques. The VCP provides equipment and training for national staff as well as support for

domestic training and research institutions. This assistance enhances LDC capacity to utilize weather data, not only for more accurate forecasting, but also for agricultural and energy development. In 1979 and 1980 VCP enabled a large number of countries to participate in the First Global Atmospheric Experiment, the largest scientific enterprise yet undertaken, which resulted in the collection of considerable data necessary to understand the physical basis of the weather. VCP also has been active in improving telecommunications, so that LDCs can collect meteorological data and relay them to other participating countries.

U.S. Interests: VCP enables LDCs to participate more actively in the World Weather Watch, which in turn enables a major agricultural producer and maritime power such as the United States to obtain vital data. VCP has nearly doubled the quantity of timely data received by the U.S. National Meteorological Center. Enhanced observation and reporting capabilities by Central American and Caribbean LDCs, coordinated through WMO, permit more accurate forecasting of hurricanes affecting the Gulf Coast. The U.S. contribution to VCP is administered on behalf of WMO by the U.S. National Oceanic and Atmospheric Administration (NOAA), which is additional testimony that U.S. participation in this program is in accordance with U.S. interests and priorities.

Other Donors: The U.S. contribution of 2.3 million dollar amounts to 37% of total VCP funding. Other major donors are the USSR (18%); FRG (15.7%); France (8%); the United Kingdom (8%); Japan (4.3%); and Sweden, Switzerland, Denmark and Australia.

FY 1982 Program: U.S. participation in VCP will entail continued training and equipment for LDC personnel. Basic objectives of the program will remain unchanged, although LDCs will be called upon to play an even more important role in view of additional WMO responsibilities in climate programs and in monitoring environmental deterioration. U.S. assistance through VCP will concentrate on Latin American countries such as Bolivia, Ecuador, Costa Rica, and Honduras providing them with wind-finding radar stations, RAWINSONDE stations for upper atmospheric observations, instruments for surface observing stations, as well as telecommunications equipment for speedy data dissemination.

UNITED NATIONS ENVIRONMENTAL PROGRAM
(UNEP)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
10.0	10.0	7.2

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none"> - ocean pollution control program will expand to include Caribbean; - increased emphasis on controlling tropical deforestation; - preliminary assessment of the hazards of global CO₂ build-up; - accelerated design and implementation of a world-wide monitoring system (GEMS) of common environmental problems; - expanded global system of environmental focal points.

Purpose: To promote and guide global efforts to protect the environment.

Background: The UN General Assembly established UNEP in December 1972 to catalyze, guide and coordinate the UN's environmental programs and to finance initiatives to strengthen programs already underway. The United States has been a major participant in UNEP since its beginning, contributing 30.6% of its total resources for the period 1973-77. UNEP's target for total contributions for the 1978-81 period is \$150 million.

The principal goal of UNEP's program is to stimulate assessment of major global and regional environmental hazards and to coordinate action to improve environmental management. The main thrust of the program is directed at environmental problems of a global nature, with 66% of the

resources assigned to global, as opposed to regional or national, projects. UNEP has stimulated Mediterranean coastal states to act together to reduce pollution of the Mediterranean Sea. Through the Barcelona Convention, in force since 1978, parties have pledged \$3.2 million plus \$1.6 million in-kind for services for 1979-80 Mediterranean cleanup. UNEP has similarly generated the Kuwait Region Action Plan and is moving ahead with other regional seas plans elsewhere. UNEP plays a key role in getting other environmental treaties started, e.g., Endangered Species Convention and, currently under negotiation, the Migratory Special Convention. Working through UN "line" agencies, UNEP has catalyzed global atmospheric, water quality, urban air pollution, and food contamination monitoring nets of special interest to the United States, as well as tropical deforestation, soils, and rangeland monitoring pilot projects, as part of the "Earthwatch" environmental assessment function.

U.S. Interests:

U.S. interest in protecting and maintaining the global environment is uniquely served by UNEP. The organization provides an instrument through which we can stimulate action by other countries on problems of global dimensions such as buildup of toxic substances in the rivers and oceans, fluorocarbons and carbon dioxide in the atmosphere, and loss of tropical forests and genetic resources on the land. UNEP is an important mechanism for stimulating and orchestrating action on such problems, whereas unilateral or bilateral action by the U.S. might invite suspicion of U.S. motives or other political or social complications.

UNEP's encouragement of international environmental

standards aids the competitive stance of U.S. business which is required to meet the costs of complying with domestic environmental standards. It also benefits U.S. industries which have technological advantages in supplying pollution control devices.

Other Donors:

Major contributors to UNEP's Environment Fund in 1979 were (in millions): U.S., \$10.0; USSR, \$3.9; Japan, \$3.0; Federal Republic of Germany, \$2.5; Sweden, \$1.9; France, \$1.8; Canada, \$1.0. Saudi Arabia has pledged \$1.0 million for the 1978-81 period, and contributed \$250,000 of this pledge in 1979. The total number of contributing countries is 93.

FY '82 Program: UNEP should complete assessment of the hazards of the global CO₂ buildup, and speed progress in UNEP's design and implementation of a world-wide monitoring system (GEMS) of common environmental problems. It will expand its ocean pollution control program to include the Caribbean, and intensify its efforts to bring tropical deforestation under control.

UNITED NATIONS VOLUNTARY FUND FOR THE DECADE FOR WOMEN

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
1.0	1.0	1.0

FY 82 PROGRAM HIGHLIGHTS
An FY 1982 contribution of \$1 million will sustain the momentum of some 130 programs designed to help disadvantaged women become economically self-sufficient, thereby permanently improving their status.

Purpose: To improve significantly the status and opportunities for women world-wide, especially those in developing nations, through greater participation in the economic and social development processes.

Background and Progress to Date: The Voluntary Fund for the UN Decade for Women was created by the 30th session of the General Assembly in 1975 to implement the programs of the International Women's Year. The Voluntary Fund, extended to cover the period 1976-85, became and remains the only source of funding available to the Decade.

Resources of the Fund are used primarily for programs to implement the World Plan of Action. By mid-1980, the Fund had supported over 120 projects in developing countries and regions around the world. Priority is given to the least developed, land-locked, and island countries, and special consideration is given to programs and projects which benefit rural women and the poorest women in urban areas.

The Fund operates through the United Nations regional commissions in Africa, Asia and the Pacific, Latin America, and Western Asia. It provides two senior officers to each commission. At the country level, the UN Development Program (UNDP) and the UN Children's Fund (UNICEF) assist the work of the Voluntary Fund.

U.S. Interests: The United States has taken a strong leadership role in devising programs to improve the status of women world-wide and to ensure the integration of women's concerns in the formulation and implementation of policies designed to reach the goals of the UN Decade for Women: equality, development and peace. The Fund remains the only source of capital within the UN system specifically aimed at improving conditions for women.

Other Donors: The United States pledged \$1 million for the Fund in each of the years 1979, 1980 and 1981. Other donors include 62 governments and approximately 30 organizations. Besides the United States, the most significant pledges at the 1981 pledging ceremony were: Australia, \$255,000; the Netherlands, \$154,000; Italy, \$174,000; Norway, \$309,000 and Sweden, \$200,000.

FY 1982 Program: Demands on the resources of the Voluntary Fund are rapidly increasing. In 1979, \$4 million were committed and in the period 1980-81, \$7.5 million have been committed. The requested U.S. contribution would be applied to foster some 130 development assistance projects. Projects to be financed by the Fund are often innovative and catalytic in nature. Typical projects would include sub-regional workshops to help women develop reforestation plans for their respective countries in the Sahel; a project to promote use of wood-saving, energy-conserving stoves; and a workshop to train Caribbean women in project and program planning skills. A project establishing training centers for women in Burundi will be initiated by the Voluntary Fund but supported subsequently by the UNDP and the host government.

UN EDUCATIONAL AND TRAINING PROGRAM FOR SOUTHERN AFRICA

PROGRAM SUMMARY (In millions of dollars)		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
1.0	1.0	1.0

FY 82 PROGRAM HIGHLIGHTS
-UNETPSA's program concentration is now focused on students from the Republic of South Africa and Namibia, the last two countries under minority rule; - U.S. support for UNETPSA is based on our interest in assuring an orderly, peaceful, and stable transition to majority rule; - major donor commitments have not kept pace with the rising cost of university education; consequently, the number of scholarship awards will decline.

Purpose: To provide secondary and college level scholarships and advanced technical and vocational courses to students from Namibia and the Republic of South Africa for study outside their respective countries.

Background: The UN Educational and Training Program for Southern Africa was created in 1967 through the merger of scholarship programs which existed at the time for aiding Africans from the African Portuguese territories, Namibia, Rhodesia, and South Africa, where all citizens do not enjoy equal political, social and economic rights. Following the accession to independence of the Portuguese territories and Zimbabwe (Rhodesia), the need ended for new

scholarships to persons from those countries. Existing scholarships are gradually being phased out as the fellows complete their training programs. The program is designed to provide African students with education and training opportunities denied them in their own countries to enable them to participate eventually in the development of those countries. The objective is not only to enable these young people to play a full role in the society of their respective countries as they become independent or as majority rule is achieved; it is also to provide general support for the concept of peaceful transition in Southern Africa.

UNETPSA's scholarship awards are based on total annual contributions received. For 1979 and 1980, total contributions were \$3.6 million and an estimated \$4.2 million respectively. The scholarship program has grown from 454 awards in the 1968/69 academic year to 1,428 in 1980. Approximately two-thirds of this last figure consisted of renewal grants, the remaining third being new awards. About one-half of the current scholarship holders attend institutions in Africa; ten percent attend schools in Asia; another fifteen percent study in Europe and the final quarter are studying in North America.

U.S. Interests: The United States is strongly committed to achieving independence or majority rule for the present minority-ruled regimes of Southern Africa. U.S. support for UNETPSA is based on our interest in assuring the orderliness and stability of the transition through peaceful means. The political impact of UNETPSA and other such southern African programs is significant and furnishes substantiation of this U.S. commitment.

Other Donors: The U.S. contribution is now supporting approximately one-quarter of the program. Other 1980 major donors are Norway (\$860,000); Japan (\$400,000); Denmark(\$453,000); Sweden (\$303,000); Canada (\$258,000); United Kingdom (\$220,000), Netherlands (\$125,000); and France (\$115,000).

FY 1982 Program: UNETPSA's attention is now focused on students from the Republic of South Africa and Namibia, the last two states under minority rule. Due to the especially low educational standards which exist in these countries for black students, the program has embarked on special pre-entry courses for students who require remedial training prior to being accepted by a university. Despite an increasing number of South African refugees of student age (South Africans are now the largest UNETPSA group), the Program will not be able to maintain its current level of fellowships. Due to rapidly expanding university costs and lack of contributions expanding to meet these or the increasing numbers of students, the overall number of fellowships will necessarily decline.

UN INSTITUTE FOR NAMIBIA

PROGRAM SUMMARY (In millions of dollars)		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
.5	.5	.5

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none">- a modest expansion of the Institute's overall enrollment and an increasingly larger number of students undertaking internships in various African countries' ministries and institutes.- curtailing of some research activities and the elimination of some portions of the curriculum due to financial constraints.- the possible transfer of the Institute from Zambia to Namibia if current independence discussions are successful.

Purpose: To train Namibians for mid-level civil service positions in preparation for the independence of Namibia.

Background: The Institute for Namibia, with headquarters in Lusaka, Zambia, was created by the UN General Assembly and opened in September, 1976 with a two-year program for approximately 100 students. In 1978 the Institute's Senate decided to extend the curriculum from two to three years using the additional year for student in-service training in various African countries. The Institute also undertakes research projects related to issues of concern in the establishment of an independent state of Namibia. Approximately 25% of the budget is used for such purposes. Some of the various research projects are in manpower, health, educational, rural and urban surveys, and the study of the constitutional options available

for an independent Namibia. The student enrollment currently numbers just over 300, and recruitment is carried out among Namibians in Zambia, Botswana and Angola.

The Institute owes its existence to the abnormal political situation in Namibia, a territory illegally occupied by South Africa, and in which only minimal educational opportunities have existed for blacks. The purpose of the Institute - to equip Namibians for participation in the organization and administration of various government departments and public services - is linked to the goal of an independent Namibia achieved by the transition from minority rule through peaceful means.

U.S. Interests: During the past three years, the U.S. Government has been very active in the search for a political solution to the Namibia problem. A solution, including both a peaceful transition and acceptance by the international community, is again a distinct possibility. Independence could come as early as 1982. A core group of civil servants which can peacefully lead Namibia during its first few sovereign years is very much in the interests of the U.S. Without the Institute of Namibia the chances of developing such a cadre of future civil servants is greatly reduced and the likelihood of a peaceful transition made more doubtful. Our participation in this program gives a public demonstration of the interest of the U.S. in stable independence for Namibia as well as other areas under minority rule, and in attaining this independence through peaceful means.

Other Donors: At the most recent pledging conference, held in March 1980, total commitments of \$1.9 million were made. Major contributors were Sweden (\$650,000), the U.S. (\$500,000), Norway (\$203,000), the Netherlands (\$154,600), Japan (\$150,000) and Canada (\$149,000). The U.S. contribution comprises 26.4% of the total.

FY 1982 Program: The Institute will expand modestly its overall enrollment during this period. More importantly, a larger number of students will enter their third year internship in various ministries and institutes. Research will continue to be an important part of the Institute's mandate. The Institute's budget has not expanded as fast as inflation (the U.S. contribution has remained constant since FY 1978); consequently the near future will probably see the curtailment of some research activities and the elimination of some portions of the curriculum.

UN TRUST FUND FOR SOUTH AFRICA

PROGRAM SUMMARY (In millions of dollars)		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
0.3	0.4	0.4

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none">- continued emphasis by the Fund to provide legal and humanitarian assistance to black South Africans and Namibians who have come into conflict with the Republic of South Africa's discriminatory racial system.- increasing interest on the part of the donor community to financially support the Fund's work, as indicated by the 1980 pledging conference.

Purpose: To provide legal assistance, humanitarian relief, and education for apartheid victims and refugees in South Africa.

Background: The Trust Fund was established in 1965 to provide assistance to victims of apartheid and to its refugees. It provides three main types of assistance to victims of racially discriminatory legislation: legal representation, education, and humanitarian relief. Grants from the Fund provide assistance to individuals from the Republic of South Africa and Namibia. The Trust Fund is administered by five UN members: Sweden, Chile, Morocco, Nigeria and Pakistan;

The Fund's primary channels of assistance are through non-governmental private organizations, principally Amnesty International, the Freedom from Fear Organization, and the University Exchange Fund.

One of the main recipients of the Trust Fund's legal

assistance grants is the U.S. Lawyers' Committee for Civil Rights Under Law (South Africa Project). The Lawyers' Committee has been active in defending civil rights in South Africa since 1967. It works through South Africa's legal system to defend victims of South Africa's apartheid system and to protect their human rights. It also supports legal challenges, mounted within the constitutional framework of South Africa's judicial system, to South Africa's network of racially discriminatory laws. In addition to legal assistance, the Fund also offers financial support for the education of discrimination victims and their children, and relief both to victims within the country and those who are refugees.

U.S. Interests: U.S. support for this Trust Fund is primarily humanitarian in nature. The Fund is one of the few vehicles available with which to implement U.S. policy of opposition to apartheid and support for basic human rights. Thus, a major benefit to the U.S. from its participation in the Fund lies in the implementation of our policy of support for peaceful and legal means of altering the system of apartheid, and in offering visible evidence of our commitment to ending such practices.

Other Donors: Contributions to the Trust Fund come from approximately sixty countries. At the 1980 pledging conference major donors were the Netherlands, Norway, Sweden, and the U.S. As the largest contributors, the shares of Sweden and the Netherlands exceeded that of the United States by \$150,000 and \$25,300 respectively. A total of \$1.7 million was pledged, with the U.S. \$300,000 contribution comprising 17.6% of this total.

FY 1982 Program: Some of the Republic of South Africa's apartheid policies are undergoing small but perceptively positive modifications through due process of law. Still in existence, however, are many forms of racial discrimination with which black South Africans will continue to come into conflict in their ongoing efforts to improve their economic and political status. The Fund's role in FY 1982 will be to continue to support such efforts through South Africa's judicial system, and provide assistance to families of those persecuted under existing repressive legislation.

OAS DEVELOPMENT ASSISTANCE PROGRAMS

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
15.5	15.5	16.5

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none">-promote rural and integrated regional development;-enhance member states' capacity to plan and execute effective development projects;-promote the pooling of members' institutional resources and technical skills in addressing development problems of mutual concern;-joint research, exploration and exploitation of bituminous shales as a new energy source, and implementation of new projects entailing use of solar energy;-expanded meat production through improved livestock and fish-breeding techniques;-continued emphasis on strengthening OAS member training and research institutions;-creation of employment opportunities and upgrading of job skills.

Purpose: To support technical cooperation programs contributing to the economic and social development of Latin America and the Caribbean.

Background: Encouraged by U.S. leadership in promoting technical cooperation for development, other OAS member states have established four voluntary funds for development: the Special Multilateral Fund, the Special Projects Fund, the Special Development Assistance Fund, and the Special Cultural Fund. These are under the supervision of two OAS ministerial level councils, which set objectives and priorities, and approve individual projects. Major program activities

include rural development, technical and vocational training, scientific and technological research into new energy sources, food production and distribution, livestock improvement, promotion of tourism (Caribbean), and adult literacy.

Whereas the OAS initially focused on institution-building, the trend in recent years has been towards more direct support of projects benefitting the most disadvantaged members of society. Over the past two decades several Latin American members -notably Argentina, Brazil, Mexico and Venezuela - have made great strides and have become net donors rather than net recipients of OAS development programs. The United States' (having 87% of total OAS member country GNP) share of voluntary contributions has gradually declined from 66% in the 1960s to 54% in 1980.

Examples of OAS assistance include the Central American project for the testing and control of pharmaceutical products; technical training of over 50,000 specialists in Inter-American regional centers; research and training in tropical fruit production and processing; applied research and transformation of industrial and agricultural waste products into livestock feed and low-cost housing materials. While most projects continue to be implemented through individual national development programs, the United States succeeded in 1973 in initiating a new regional approach. Since then, the more developed OAS members have become involved more deeply in projects aiding the poorest, less developed members. This has led to more effective use of scarce resources and to the emergence of new institutions and directions in regional programming.

Recognition of the effectiveness of OAS development programs is evident in two recent trends: increasing financial support from non-member countries and institutions; and the large amount of subsequent loan assistance from the World Bank and the Inter-American Development Bank (over \$6 billion) to projects resulting from OAS pre-investment feasibility studies.

U.S. Interests: A major U.S. policy objective is to preserve the Organization of American States as an effective regional forum for dealing with hemispheric issues (such as the Nicaraguan situation in 1979). The OAS mechanism not only avoids the ventilation of inter-American issues in other highly charged international organizations (such as the UN General Assembly), but also enables the United States to exert a proportionately greater influence over the outcome of deliberations. By way of reciprocity, other OAS members look to the United States for support in what they consider to be their primary concern - technical assistance for development. Over the years a tacit understanding has evolved whereby the U.S. contributes to regional development efforts, and receives the political support of OAS members. The level of U.S. contributions is perceived as the measure of U.S. commitment to the Inter-American system, and influences in some degree the level of support which the U.S. can expect from other OAS members on other issues (such as peacekeeping between OAS members, respect for human rights, and preservation of an environment conducive to trade and investment).

Other Donors: OAS development programs for 1980 totalled \$28.7 million, towards which the U.S. contribution of \$15.5 million amounted to 54% of total pledges. Other important donors were Argentina (\$2.08 million); Brazil (\$2.58 million); Mexico \$2.09 million); Venezuela (\$1.02 million); other OAS members (\$4 million); and non-members, Canada, Israel and Spain, (\$1.5 million).

FY 1982 Program: Continued emphasis will be placed on rural development and regional collaboration towards common development objectives. In this context the more developed members will be encouraged to pool their institutional resources with less advantaged members. Greater attention will be given to the needs of the poor rural populations, with emphasis on job creation and the upgrading of professional and vocational skills. New energy sources will be sought through joint research and exploration efforts, through exploitation of bituminous shales, and through experimental use of solar energy. Food resources will be expanded through improved

livestock and fish-breeding techniques. Continued support will be given to training and research institutions.

CONVENTION ON INTERNATIONAL TRADE IN
ENDANGERED SPECIES (CITES)

PROGRAM SUMMARY <i>(In millions of dollars)</i>		
FY 1980 Actual	FY 1981 Estimated	FY 1982 Program Request
-0-	-0-	.150

FY 82 PROGRAM HIGHLIGHTS
<ul style="list-style-type: none">- the initial U.S. contribution to CITES under the FAA has not yet been possible as the result of the Continuing Resolution for 1981.- increased efforts by CITES to monitor and control international trade in endangered plants and animals.- a declining contribution by UNEP, the initial source of support for CITES, and a proportional increase by the Convention parties.

Purpose: To provide international support for protection of endangered species of wild fauna and flora.

Background: CITES resulted from a conference held in Washington in 1973 at U.S. invitation to achieve a convention on the conservation of endangered species of wild fauna and flora. Support of the Convention is a major element of United States conservation policy.

Financial support for CITES has been provided by the Environment Fund of UNEP, but UNEP will reduce its support in 1981, and cease support by the end of 1983. This action is consonant with UNEP's catalytic role in environmental initiatives. The parties of the Convention began to provide support for the CITES Secretariat in 1980 in accordance with a consensus decision that

contributions would be on the basis of each donor's rate of assessment to the regular UN budget. The U.S. will be expected to make a contribution at the level of approximately 25% of CITES budget.

Past achievements of CITES include the establishment of guidelines for safe shipping of live specimens of plants and animals; approval of a prototype identification manual for use of customs officials to identify protected species at ports of entry; and adoption of a standardized universal format for information required to amend listings of endangered species. CITES' recent efforts have focused on strengthening control of international trade in endangered species, and improving the acquisition, recording, and communication of data and statistics on such trade. Work is also continuing on updating and revising the identification manual.

U.S. Interests: All countries, including the U.S., benefit from CITES' protection of endangered species of wild plants and animals since it seeks to preserve mankind's irreplaceable natural heritage. CITES is a result of a U.S. Congressional initiative and is consonant with the Endangered Species Act of 1973 and Marine Mammal Protection Act of 1972.

Other Donors: CITES budget for the 1980-81 biennium is \$1.075 million. Of this amount, UNEP will contribute \$350,000, USSR \$109,000, FRG \$82,000, France \$61,000, UK \$44,000, Italy \$34,000, and Canada \$32,000. The U.S. was expected to contribute \$150,000 in 1981; however the Continuing Resolution has resulted in no contributions as yet. Altogether, more than 56 countries are expected to contribute to CITES support in 1982.

FY 1982 Program: The 1982 program basically will continue along the lines developed in 1980 and 1981, and focus on: a) continued promotion of international acceptance and implementation

of the Convention (CITES); b) improved Convention Appendices (list of species) in terms of scientific and trade data required for listing/delisting; and c) continued updating and revision of the identification manual. CITES will continue to field technical consultants to governments requiring legislative and/or administrative assistance in meeting the goals of the Convention.

International Fund for Agricultural Development

Congressional Presentation Fiscal Year 1982

United States International Development Cooperation Agency

International Fund for Agricultural Development

The President is requesting up to \$85 million for Fiscal Year 1982 for a U.S. contribution to the replenishment of the resources of the International Fund for Agricultural Development (IFAD). This request is qualified upon the successful conclusion of replenishment negotiations, which is expected to occur early in calendar year 1981.

IFAD is a Specialized Agency of the United Nations established in December 1977 to assist developing countries through the provision of loans and grants to expand food and agricultural production. The Fund gives highest priority to projects in the poorest food deficit countries and concentrates its resources on activities that are specifically designed to assist small farmers and the landless poor. The United States provided \$200 million of IFAD's initial funding of just over \$1 billion. Other developed countries provided approximately \$370 million and the members of the Organization of Petroleum Exporting Countries (OPEC) contributed \$435 million.

During the first three years of operations ending in December 1980, the Fund approved some 60 loan projects totaling \$885 million in 48 countries. In addition, the Fund also provided \$21 million in technical assistance grants, bringing total commitments for the three-year period to \$906 million. By the middle of 1981, the Fund's remaining resources, plus its accumulated earnings on liquid assets will be fully committed. In anticipation of this, IFAD's Governing Council in January 1980 began negotiations for a replenishment of the Fund's resources. These negotiations have proceeded through a series of meetings during the past year, but have not yet reached a final conclusion. It is expected that within the next several months, the negotiations will result in an agreement among donors for a replenishment which will allow new IFAD projects totalling \$1.5 billion during the calendar year period 1981 through 1983.

This Congressional Presentation illustrates the importance of continued IFAD lending and the importance of continued U.S. support for the Fund in anticipation of Congressional action on the necessary authorizing and appropriating legislation in advance of fiscal year 1982.

Origin and Objectives

IFAD grew out of the 1974 World Food Conference which focused governmental and public attention on the critical food and nutrition problems facing the developing countries. Although it took three years of international negotiations to bring the Fund into existence, its establishment constituted the single most important initiative of the decade on the part of the international community to increase assistance in the area of food and agricultural development. IFAD also represents the first, and so far the only, commitment on the part of the OPEC countries to give major support to an international organization in which their influence is not commensurate with their financial contributions.

During the negotiations from 1974 to 1977 that led to IFAD's creation, the United States played a very active and effective leadership role. The United States was among the first countries to pledge support for the Fund and one of the first to obtain the necessary legislative approvals for a contribution. In consequence, the United States exercised a predominant influence during the formative period of IFAD on all aspects of its organization, staffing and objectives. As one of the members of IFAD's Executive Board, the United States continues to play an active role in guiding the Fund's policies and operations.

The Fund's lending policies and criteria, for example, with the special focus on small farmers, the landless and the rural poor, are direct reflections of the agricultural development policy adopted by the United States to guide its own bilateral assistance programs. Similarly, it was primarily through insistence by the United States that the Fund avoid duplicating the work of other international organizations that IFAD was specially chartered to rely to the maximum extent feasible on the staff and expertise of other institutions while keeping its own organization and staff as small as possible. In this regard, it should be noted that, while the Fund's total portfolio of loans and grants now exceeds \$900 million,

IFAD's own staff, including support personnel as well as professionals, amounts to a total of only some 150 employees. Moreover, the annual administrative budget which covers all expenses of running the Fund amounts to less than 2 percent of the total portfolio and to less than 4 percent of current annual commitments for new projects.

IFAD's development objectives are defined in the Fund's Articles of Agreement and further elaborated in its lending policies and criteria. The basic objective, as stated above, is to assist the developing countries in increasing food and agricultural production in support of the broader goal of reducing hunger and malnutrition. The emphasis placed on small farmers derives from a recognition that hunger and nutritional problems are directly associated with poverty, and unless the income and well-being of the poor are improved in conjunction with production efforts, production alone will not achieve the goal of reducing hunger. IFAD is unique in that it is the only international organization which has adopted the small farmer and landless rural poor as the specific target of its development efforts. This focus is further elaborated by a provision in the Fund's lending policies that stipulates that at least two-thirds of its resources will go to the least developed countries, defined as having per capita income of \$300 or less in 1976 dollars.

U.S. Interests

Underlying the strong support given to the Fund by the United States are four interrelated U.S. interests which can be summarized as follows:

- i) increasing the flow of resources and the global development focus on food and agriculture as a means of alleviating world hunger and malnutrition;
- ii) strengthening, in particular, the role of small farmers and the landless poor in the productive process with a view to maximizing private initiative and assuring that the benefits of increased production accrue to those

most in need of assistance;

iii) encouraging non-traditional aid donors, particularly the OPEC countries, to play a cooperative and constructive development role and to assume a larger responsibility for providing development assistance within a multilateral framework;

iv) improving relations with the developing countries as a group by supporting a constructive international effort which the developing countries view as a significant step in meeting their interests.

With regard to the latter point, the support by developing countries for IFAD derives principally from the fact that the developing countries, as a group, exercise a substantially larger voice in IFAD (where they hold one-third of the total votes) than is the case in other major institutions. IFAD's tripartite structure, in which each of the three categories of members are represented equally, constitutes a significant innovation and concession on the part of the donor members and has no parallel in any other institution. The three categories of membership are: Category I, the traditional aid donors; Category II, the OPEC nations; and Category III, the non-OPEC developing nations. The experience of the Fund's first three years shows that this tripartite structure has worked harmoniously and constructively. The developing countries have carefully refrained from introducing political issues of the sort which, on occasion, have obstructed work in other international organizations. Moreover, Category III members have been quick to discern and oppose any effort they perceive by donor members, in either Category I or II, to attempt to influence the Fund's policies and operations on any grounds other than purely developmental considerations. In consequence, while no member or group of members has been able to exercise its will on any matter that is not entirely consistent with the Fund's Articles of Agreement, the net effect has been to assure that the Fund has adhered strictly to its agricultural development mandate.

IFAD Development Performance

In carrying out its development mandate, IFAD initially got off to a slow start, and during 1978, its first year of operations, committed only \$118 million on a total of ten projects, all of which were co-financed under the lead of the IBRD and the regional development banks. During the second year of operation, however, loan commitments increased more than three-fold to \$385 million for 23 projects. In IFAD's third year, 1980, loan commitments of \$383 million were made for 27 projects such that the cumulative total at the end of the first three year period of the Fund's existence now amounts to \$885 million for a total of 60 projects. The regional break-down of these loans is shown in Table 1 (attached).

In addition to these 60 loans, IFAD also provided technical assistance grants totalling \$21 million during this same period. Thus, total assistance provided by the Fund in terms of commitments during its first three years amounts to \$906 million.

Table 2 (attached) summarizes IFAD loans during the three year period by region and lending terms. Highly concessional terms of 50 years maturity, including a 10 year grace period and 1 percent interest, account for three-quarters of the loans. Loans on intermediate terms of 20 years maturity, 5 years grace and 4 percent interest make up 20 percent of the portfolio. To date, only two loans (Mexico and Brazil) have been extended on "ordinary" terms, i.e., 15 years maturity, 3 years grace and 8 percent interest.

The fact that the bulk of the Fund's loans are on highly concessional terms reflects the Fund's policy of concentrating on the lowest income countries. However, loans on these terms are at present somewhat in excess of the proportion envisioned in the Fund's Lending Policies and Criteria. It is therefore likely that the balance will shift somewhat in the direction of harder terms relevant to middle and higher income developing countries. Loans to the latter, of course, must nevertheless be targeted on low income farmers and the rural poor.

Table 3 (attached) shows a breakdown of IFAD loans by region and by lead agency responsibility (i.e., IFAD or a cooperating institution). The latter have assumed the responsibility for project identification, design and appraisal as well as implementation in what are referred to as "co-financed projects". In IFAD-initiated projects, it is the Fund that takes the role of leading external financier but a number of the latter projects also have financial participation from other external financiers. In all cases, co-financed or IFAD-initiated, it is a cooperating institution such as the IBRD or one of the regional development banks which assumes the responsibility for project supervision and loan administration.

For the three-year period, the ratio between co-financed and IFAD-initiated projects has been 52/48 in terms of financial commitments and 60/40 in terms of number of projects. The degree of IFAD involvement in IFAD-initiated projects is, of course, higher than for co-financed projects, but even with respect to the latter, there has been a clear trend during the three years toward a more active and assertive IFAD role. For the projects funded during IFAD's first year of operations, IFAD's role, apart from its financial contribution, was minimal, limited essentially to assuring that the projects selected for co-financing with other institutions were consistent with IFAD's own mandate. However, as the Fund has gained experience, and progressed beyond its initial start-up phase, its direct involvement in project appraisals and negotiations has increased considerably, with the objective in each case of strengthening aspects and provisions in each project which enhance production incentives and returns for the Fund's target group of small farmers and landless.

A good example of the Fund's efforts in this respect can be seen in a joint IBRD-IFAD project in North Yemen, where, given the traditional system of concentrated land holdings, the benefits of improved irrigation, seed and fertilizer provided through the project would normally accrue primarily to the land-owners rather than to the tenant farmers. To mitigate this, IFAD negotiated a number of additional loan agreement provisions to

strengthen tenancy rights and shift a larger share of the cost of farm inputs and improvements on to the landowners. In another project in Guyana, intended to improve and expand an irrigation perimeter involving both large and small scale farmers, IFAD took the position that water charges should be levied on a progressive basis so that the larger holders will bear a proportionately greater share of cost recovery as well as operation and maintenance expense. In addition, IFAD also proposed in this case that the project include a built-in monitoring and evaluation system to be used to gauge actual progress in assuring small farmer participation in the project.

With regard to the different types of agricultural projects IFAD is financing, table 4 (attached) provides a break-down by general sub-sector.

One quarter of IFAD projects in terms of number as well as financing involve irrigation facilities. In several cases, the projects entail rehabilitation of existing systems; for example, a recently approved project in Bhutan will rehabilitate a 400 year old irrigation system and is expected to more than double the income of the present subsistence farmers. Other irrigation projects, for example, in Sri Lanka, India and Mauritania entail bringing arid and semi-arid areas under cultivation and resettling small farmers and landless poor on the newly productive perimeters. In each case, special attention is being given to assure that the necessary agricultural services, including farm inputs, extension training and marketing are all made available.

Rural development projects comprise a quarter of IFAD's current portfolio. In developing countries as diverse as Tanzania, Cape Verde, Honduras, Somalia, India and Mexico, an integrated agricultural approach in the project area is being followed which provides basic agricultural services and improves related factors such as farm-to-market roads. A basic principle guiding each such rural development project is the decentralization of decision making responsibility to the village level where the

small farmers themselves are given the major say with respect to the types of crops, necessary inputs and local organization. A major benefit of such projects, in addition to increasing production and incomes is to reduce the pressures of rural to urban migration.

Small farmer credits constitute less than 20 percent of IFAD's portfolio, but in addition to the ten projects in which improved credit availability is the major thrust, at least half of IFAD's total projects also include a credit component. The agricultural credit projects IFAD finances provide good examples of the Fund's small-farmer focus.

Customarily, credit institutions in the developing countries tend to favor the more affluent farmers and landowners given the lack of collateral and greater difficulty of servicing the smaller farmers. IFAD, however, is making special efforts to assure greater attention to the latter by earmarking funds for small farmers and changing existing loan processing procedures to place greater emphasis on the productive use of the credit. In a Pakistan project, for example, for the first time in the history of the Pakistan Agricultural Development Bank, at least 50 percent of total loans will be extended to small farmers. This has required significant changes in the legal provisions, staffing arrangements and lending procedures of the Pakistani bank. Similarly, in the Nicaragua project, which provides general support to the agricultural sector, IFAD's funds are limited to farmers with less than 10 hectares. In addition, some funds are being provided on a grant basis to review and strengthen local institutions delivering credit to the small farmers.

One of the credit projects approved during that past year -- for Bangladesh -- warrants special mention. Although the credit constitutes only one element of the overall project, it marks IFAD's first attempt to provide credit for small scale off-farm activities such as farm implement repair, hand-tool manufacturing, etc. to stimulate private initiatives and opportunities for the

landless poor. Village-level committees are being set up to monitor the use of loans and, through peer-group pressure, assure their repayment. On a pilot basis, this private sector approach has worked exceptionally well, and may provide a model for replication in Bangladesh and possibly elsewhere in South Asia.

Another project in Nepal is placing similar emphasis on private sector initiatives through the formation of farmer cooperatives which will improve access to credit and agricultural supplies as well as better markets. As has been the experience for farmers in the United States, the cooperative organizations are expected to provide not only economies of scale, but also greater mutual support than would be the case in the absence of the cooperative organizations.

Livestock and fisheries projects represent a relatively small proportion of IFAD's portfolio, but as in the case of other types of IFAD projects, will generate significant increases in productivity and earnings of the lower income groups they are designed to assist. The livestock project in the Central African Republic, for example, is teaching improved rangeland and grazing practices and providing veterinarian and marketing facilities to nomadic herdsmen. A livestock improvement project in Indonesia involves a program of cross-breeding and genetic improvement for cattle that are owned by small farmers for milk production and for use as draft animals. A fisheries project in Ecuador which is assisting artisanal fishermen through the provision of equipment and improved marketing will benefit the fishermen themselves and also make possible a substantial increase in the availability and local consumption of high protein seafood. A similar artisanal fishery project in Djibouti is also expected to provide broad local benefits through improved storage facilities and distribution.

Among the remaining "other" projects which also comprise a quarter of IFAD's portfolio, are a number of general agricultural development projects. Such projects in Zaïre, Tunisia, Sri Lanka and Thailand, for example, focus on a

variety of different small farmer-related activities such as institutional development, applied research and programs designed to improve production and local distribution of basic food crops. In the case of a Bangladesh project, the emphasis is on strengthening the distribution and usage of fertilizers.

In addition to the sixty loans, IFAD has also provided technical assistance grants totalling \$21 million during the three years of operations. The largest portion of grant funds, \$11 million, has been approved for agricultural research and related purposes, primarily to member institutions of the Consultative Group on Agricultural Research. IFAD funds in these cases have been directed to specific activities of potential help to small and landless farmers, not to general institutional support. About \$6 million has been made available to countries in connection with design and preparation of IFAD-funded loan projects while the remaining \$4 million has been provided as technical assistance adjuncts of specific loan projects. In the latter case, the grant elements have been designed for training and to cover part of the cost of project monitoring and evaluation as essential components of project implementation.

Replenishment of the Fund's Resources

With regard to future lending, the Fund currently projects loan and grant commitments to rise from the \$400 million level achieved in 1980 to \$450 million in 1981 and expects similar increases in 1982 and 1983. With the cumulative total of commitments now amounting to \$906 million, the Fund currently has only \$150 million remaining that it can commit from its initial funding of approximately \$1055 million. (IFAD's initial funding was just over \$1 billion, but appreciation of several currencies against the dollar has resulted in an increase in the dollar value of the Fund's initial resources.) In addition, the Fund has accumulated net earnings on its liquid assets amounting to \$80 million which can also be used for future lending. The combined total of uncommitted resources and earnings can therefore permit the Fund to continue its operations at

the projected level of \$450 million in calendar year 1981 only through the first half of the year. Since all available resources will then be fully committed, the Fund will require replenishment if it is to continue its operations beyond the third quarter of U.S. Fiscal Year 1981, or at the very latest, the beginning of U.S. FY 1982.

The Agreement establishing IFAD provides for consideration of additional contributions to assure continuity of its operations not later than three years after it began. In accordance with this provision, the Governing Council of the Fund, at its annual meeting in January 1980, adopted a resolution which invited "members to make a common effort to ensure that the Fund's resources for the period 1981-83 are replenished at a level sufficient to provide for an increase in real terms in its level of operations".

During the course of 1980, a number of consultations with IFAD members were held, including two formal meetings of IFAD donors in May and again in November. In addition, there have been several meetings of OECD donors, most notably in Washington on October 1 and 2 at which Category I countries agreed to support replenishment of the Fund, provided a satisfactory sharing arrangement could be negotiated with the OPEC members -- that is, contributions from the OPEC members should be much more closely related to the equal decision making role between the two donor groups within IFAD.

The OPEC members for their part have consistently maintained that the 43 percent share of the total they provided to IFAD's initial funding already represents a disproportionate share from them, given the wide disparity between the two donor groups in terms of GNP and levels of development. Moreover, the continuing hostilities between OPEC members, Iran and Iraq, which, between them, were responsible for one-third of the total OPEC share in IFAD's initial funding, now pose further difficulties. If these two countries' financial participation in IFAD drops, the remaining OPEC members will be obliged to increase their contributions significantly in order simply

to maintain the existing 43 percent OPEC share in the proposed replenishment total.

Although the burden sharing issue remains unresolved, sufficient progress was achieved during the course of the year to permit all members of IFAD to agree at the most recent Governing Council session in December 1980 on an overall replenishment framework. This provides that "new resources should be made available to IFAD to enable it to undertake an operational program of \$1,500 million for the period 1981-83, after taking into account \$230 million of estimated resources available for commitment at the end of 1981". The net new resource requirement for replenishment has therefore been agreed at the level of \$1,270 million. The United States joined with other members in supporting the replenishment resolution, but in so doing, made it clear that U.S. participation in replenishment will depend directly on how responsive the OPEC members are in terms of matching the contributions of OECD members.

Further meetings of IFAD donors will be held early in 1981 to work out the remaining technical details of replenishment contributions. If, in conjunction with the technical matters, agreement is reached on the issue of relative shares between the two donor groups, the Congress will be requested to consider approval of continued United States support of IFAD on the same basis (20 percent of the total) as in the initial funding. On the basis of a new resource total of \$1,270 million, the proportionate United States share would be \$254 million for the three year period 1981-83. This represents a 35% increase over the initial United States contribution, but virtually no increase in terms of real resources after adjustment for inflation.

Given the very positive development effort being carried out by the Fund, and its importance in terms of cooperative international relations, continued support by the United States at the proposed level is genuinely warranted.

Table 1

REGIONAL DISTRIBUTION OF IFAD LOANS: 1978-80
(\$ millions)

<u>Region</u>	<u>1978</u>		<u>1979</u>		<u>1980</u>		<u>TOTAL</u>	
	No.	\$	No.	\$	No.	\$	No.	\$
Africa	2	15.8	10	126.3	12	161.5	24	303.6
Asia and the Near East	5	82.5	8	211.7	10	151.5	23	445.7
Latin America	<u>3</u>	<u>19.3</u>	<u>5</u>	<u>46.6</u>	<u>5</u>	<u>69.5</u>	<u>13</u>	<u>135.4</u>
	10	117.6	23	384.6	27	382.5	60	884.7

Table 2

DISTRIBUTION OF IFAD LOANS BY REGION AND BY LENDING TERMS: 1978-80
(\$ millions)

<u>Region</u>	<u>Highly Concessional</u>	<u>Intermediate</u>	<u>Ordinary</u>	<u>Total</u>
Africa	258.8	44.8	--	303.6
Asia and Near East	377.2	68.5	--	445.7
Latin America	<u>27.4</u>	<u>66.0</u>	<u>42.0</u>	<u>135.4</u>
	663.4	179.3	42.0	884.7
Total (%)	<u>(75)</u>	<u>(20)</u>	<u>(5)</u>	<u>(100)</u>

Table 3

DISTRIBUTION OF IFAD LOANS BY REGION AND AGENCY RESPONSIBILITY: 1978-80
(\$ millions)

<u>Region</u>	<u>Co-Financed</u>		<u>IFAD Initiated</u>		<u>Total</u>	
	<u>No.</u>	<u>\$</u>	<u>No.</u>	<u>\$</u>	<u>No.</u>	<u>\$</u>
Africa	15	183.2	9	120.3	24	303.5
Asia and Near East	13	205.0	10	240.7	23	445.7
Latin America	<u>8</u>	<u>75.8</u>	<u>5</u>	<u>59.7</u>	<u>13</u>	<u>135.5</u>
Total	36	464.0	24	420.7	60	884.7
% of Total		(52)		(48)		(100)

Table 4
 SECTORAL DISTRIBUTION OF IFAD LOANS
 (\$ millions)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>Total</u>	<u>%</u>
Irrigation	83	93	44	220	25
Rural Development	29	68	118	215	24
Small Farmer Credit	--	78	77	155	18
Livestock/Fisheries	6	28	27	61	7
Other	<u>--</u>	<u>118</u>	<u>116</u>	<u>234</u>	<u>26</u>
Total	118	385	382	885	100