

MULTILATERAL ECONOMIC ASSISTANCE

International Financial Institutions
International Organizations and Programs

This page intentionally left blank.

International Financial Institutions

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
IFI	1,295,781	1,383,042	1,492,731

The FY 2005 request for IFIs includes \$1.43 billion for scheduled annual commitments and \$58.7 million to clear a portion of outstanding arrears, which currently total \$472.7 million.

The scheduled International Development Association (IDA) request (\$1.05 billion), the third and final under the IDA-13 replenishment, includes \$200 million contingent on IDA meeting certain performance targets during 2004. \$118 million and \$103 million are requested for the final scheduled payments for current replenishments for the African Development Fund (AfDF) and Asian Development Fund (AsDF), respectively. The \$107.5 million request for the Global Environment Facility (GEF) is the third of four payments under the current replenishment. In FY 2006, the GEF is scheduled to receive a final regular payment of \$107.5 million and may receive an additional \$70 million if it meets specified performance targets.

IFIs lend to and invest in developing and transition economies and private sector enterprises in countries where risks are too high for private financing alone and where leverage is needed to encourage private financing. Bank policies and lending programs reflect U.S. priorities in promoting growth, increasing productivity, and reducing poverty in developing countries.

International Financial Institutions
(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
Global Environment Facility	146,852	138,418	120,678
International Development Association	844,475	907,812	1,061,310
Multilateral Investment Guarantee Agency	1,620	1,117	-
Asian Development Fund	97,250	143,569	112,212
African Development Bank	5,071	5,075	5,100
African Development Fund	107,371	112,060	118,000
European Bank for Reconstruction and Development	35,572	35,222	35,431
Inter-American Development Bank - Multilateral Investment Fund	24,431	24,853	25,000
Inter-American Investment Corporation	18,233	-	-
International Fund for Agricultural Development	14,906	14,916	15,000
Total	1,295,781	1,383,042	1,492,731

International Organizations and Programs

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
IO&P	168,881	319,752	304,450

The FY 2005 request of \$304,450,000 for International Organizations and Programs (IO&P) advances U.S. strategic goals by addressing challenges that require international consultation and coordination. In some areas, such as protecting the ozone layer or safeguarding international air traffic, solutions cannot be effective unless problems are addressed globally. In other areas, such as development programs and addressing the needs of children and mothers, the United States multiplies the influence and effectiveness of its contributions through support for international programs.

UN Voluntary Fund for Technical Cooperation in the Field of Human Rights (\$1,500,000)

Contributing to the Fund advances the U.S. goal of promoting democracy and human rights. The United Nations can use the Fund to undertake projects, which, in some instances, the United States cannot implement bilaterally. A secure tradition of voluntary funding, anchored by the U.S. contribution, guarantees availability of such assistance to those nations that seek assistance in strengthening their own democratic institutions, and protecting the human rights of their citizens. Many of these nations are newly independent, and are struggling to adopt, implement and adhere to the democratic principles promoted by the donor nations. In recent years, as more countries have begun the transition to democracy, the number of requests for assistance has increased considerably. Maintaining our FY 2003 and FY 2004 contribution level in FY 2005 will help continue to leverage increased contributions by other governments and demonstrate the U.S. commitment to an efficient and responsive human rights mechanism.

UN Voluntary Fund for Victims of Torture (\$5,000,000)

Contributions to this Fund also support the U.S. foreign policy goal of promoting democracy and human rights. Assisting torture victims helps establish and reinforce a climate of respect for the rule of law, good governance and human rights. U.S. contributions underscore our commitment to the rights of the individual and to the essential importance of protecting these rights. Contributions to the Fund also demonstrate the U.S. commitment to humanitarian assistance to victims of human rights violations. The Fund provides worldwide humanitarian assistance to torture victims and their families and also finances training programs for health care professionals specializing in the treatment of torture victims and human rights courses for government officials and police forces. Requests for assistance have doubled in the past five years – from \$6,800,000 in 1997 to \$12,000,000 in 2002. Today, 80,000 victims of torture and their relatives and about 200 organizations around the world are assisted by the Fund. The Fund provides psychological, medical, social, legal, and economic assistance to torture victims.

OAS Fund for Strengthening Democracy (\$2,500,000)

Strengthening democracy is at the heart of the President’s policy in the Western Hemisphere. FY 2005 funding for the OAS Fund for Strengthening Democracy (OAS Democ Fund) will advance that goal by promoting democracy programs of the Organization of American States (OAS) and leveraging further funding from other donors. In recent years, the OAS has demonstrated newfound strength and purpose in promoting representative democracy and respect for human rights and the rule of law. The OAS Democ Fund is a small, but highly effective investment in mobilizing OAS efforts in that regard, through conflict resolution, electoral observation missions and technical assistance, and programs to strengthen democratic institutions and political parties. The OAS Democ Fund continues to play a critical role in capitalizing and

seeding many of those aforementioned programs. The OAS Democ Fund also provides quick, early funding for critical programs where even small sums can make a difference, such as high priority OAS mission responding to crisis situations (Haiti, Venezuela), promoting conflict resolution, and providing technical electoral assistance. The OAS Democ Fund also supports the Inter-American Commission on Human Rights, which monitors and adjudicates human rights complaints in the Hemisphere, and contributes to the highly successful OAS de-mining program (AICMA), which is making real progress toward achieving a landmine-free Central America. Furthermore, mandates from the Summit of the Americas, as well as recent OAS commitments to implement the Inter-American Democratic Charter, which was inspired by the 2001 Quebec Summit with President Bush's active participation, have substantially increased demands on the OAS Democ Fund to support the efforts of the Unit for Promotion of Democracy to prevent and address threats to democracy in the hemisphere.

World Food Program (WFP) (\$6,000,000)

WFP is the United Nations' front-line agency in the fight against global hunger. In 2003, WFP fed 110 million people – the highest number in its 40-year history. In Iraq, WFP carried out the largest humanitarian aid operation ever – at its peak moving 1,000 tons of food an hour, 24 hours per day, seven days per week despite enormous obstacles. At the same time, WFP helped feed some 40 million people across Africa, throughout one of the worst food disasters to hit the continent in decades. In emergencies, WFP provides fast, efficient, life-sustaining relief to millions of people who are victims of natural or man-made disasters. WFP also provides food aid for development projects that promote food security, including school feeding projects that encourage millions of hungry children to attend school. Eighty percent of WFP's resources are used for emergency relief, with 20 percent for development. U.S. contributions to WFP advance strategic goals of humanitarian response; economic development and environmental protection; and promoting regional stability and democracy. WFP operates exclusively from voluntary contributions. An annual contribution from the IO&P account ensures WFP receives non-earmarked contributions to operate effectively in carrying out its mission to feed the hungry, particularly in emergency situations.

UN Development Fund for Women (UNIFEM) (\$1,000,000)

UNIFEM is the only UN voluntary fund primarily concerned with integrating women into the national economies of their countries. Since its creation in 1976, UNIFEM has supported numerous projects and initiatives throughout the developing world focusing on strengthening women's economic security, advancing women's participation in governance and peace building, and promoting women's human rights.

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

UNIFEM's involvement with the reconstruction of Afghanistan has been vital to promote ongoing capacity building of women and women's organizations. A fund for Afghan Women's Leadership was established by UNIFEM. UNIFEM's goals coincide with several U.S. foreign policy strategic goals: economic development, democracy and human rights, and global growth and stability.

OAS Development Assistance Programs (\$5,500,000)

FY 2005 funding for OAS Development Assistance Programs will help advance the goals of economic prosperity, social well being, and global environmental health, while leveraging additional contributions from member and observer states. The OAS recently established the Inter-American Agency for Cooperation and Development to strengthen program execution and provide a mechanism for partnerships with private sector and non-governmental entities to develop projects that promote the use of best practices in education, government procurement and science and technology.

In the wake of the terrorist attacks of 9/11, the Agency has been praised for its commitment to training in port security. This work also supports the U.S. goals of combating corruption and smuggling. In addition, the OAS has developed an airport-security training program for Caribbean international airports and the program could be expanded to Central America, with sufficient funding. The Agency has been very successful in the area of education by offering several training programs in technical fields. In response to the Summit of the Americas, it has developed training programs for teachers that are available online through the Education Portal of the Americas. Funds are also used to implement cooperative multinational programs in areas such as social and educational development, environmental protection and watershed management, and science and technology.

The National Institute of Standards and Technology offers courses through the OAS on standardization that will help Latin American and Caribbean countries to sell their goods on the world market, an essential prelude to the Free Trade Area of the Americas (FTAA). A contribution in FY 2005 could provide for the OAS to meet its Summit of the Americas mandates in the areas of economic and social development, education, science and technology, and sustainable rural development activities, as well as assist Caribbean and other small-state economies to prepare for the FTAA.

World Trade Organization (WTO) (\$1,000,000)

Successful conclusion of the WTO Doha Round of trade negotiations is a key U.S. international economic policy objective. Demonstrating a strong trade capacity building assistance program for developing countries is essential to making progress in the Doha Round.

Ministers at the November 2001 WTO Doha Ministerial Conference underscored the importance of assisting developing countries to build trade capacity so that they might participate more fully in the WTO and the global economy. The commitment by developed countries to provide capacity building assistance was key to convincing developing countries to agree to launch the Doha Round. For this reason, the WTO established the Doha Development Agenda (DDA) Global Trust Fund to support developing countries' efforts to engage in WTO trade negotiations.

Developing countries assert they cannot make additional trade commitments, because they lack the capacity to negotiate market-opening trade agreements. Full funding for the WTO Global Trust Fund will provide necessary technical assistance to ensure all WTO Members share in the benefits of world trade. The U.S. contribution to the Fund would assist recipient countries in understanding and adopting open and transparent rules and regulatory regimes; implementing multilateral rules (which will help boost U.S. exports); and laying the foundation for sound economic reforms that contribute to growth and stability. During the 1990s, the lowering of trade barriers contributed to five percent GDP growth annually among developing countries who were members of the WTO.

The U.S. contribution to the Fund would advance market-opening negotiations in the Doha Round, resulting in substantial benefits to American business, workers and consumers. During the 1990s, the

lowering of trade barriers helped U.S. exports reach approximately \$1 trillion annually, generating employment for 12 million Americans.

Successful and timely conclusion of the Doha Round will help achieve our strategic goals of further market opening, expansion of U.S. exports, and international growth and stability. Maintaining full funding for the WTO DDA Trust Fund for FY 2005 will underscore in a concrete way our strong commitment to the Doha Round, in particular the importance we attach to full participation of developing countries.

International Civil Aviation Organization (ICAO) (\$1,000,000)

ICAO's Aviation Security Fund and the Aviation Safety program strengthen aviation security worldwide. Their goal is preventing terrorism and unlawful interference with civil aviation and its facilities. They also address inconsistencies in aircraft design, certification standards, and deficiencies in the use of the English language and phraseology in air traffic communications. ICAO has established new standards for cockpit security and crew procedures. ICAO is also implementing a global harmonized blueprint for the introduction of biometric facial recognition information into passports, visas, and other machine-readable travel documents.

Following the events of 9/11, aviation security has taken on additional importance. ICAO's security audit program monitors compliance with security and safety standards by identifying countries that don't adhere to the standards and helping them develop and implement actions to comply. The FY 2005 request will provide funding to help to complete security audits in more countries sooner.

ICAO has established new standards for cockpit security and crew procedures and an audit compliance program that models the already successful safety audit program. ICAO monitors compliance of security and safety standards by identifying countries that don't adhere to the standards and helping them develop and implement action plans to comply. The FY 2005 request will help to complete security audits in more countries sooner.

International Maritime Organization (IMO) (\$100,000)

At U.S. urging, the IMO launched a major maritime security initiative after 9/11, culminating in the December 2002 approval of security amendments to the International Convention for the Safety of Life at Sea (SOLAS) and an international Code for the Security of Ships and of Port Facilities, which spells out the security responsibilities of governments, ports, companies, and ships. These standards go into effect in 2004. Rapid and effective adoption of these standards worldwide will have significant benefits for the United States by enhancing the security of foreign vessels entering U.S. ports and by improving security of foreign ports visited by U.S. vessels. A U.S. voluntary contribution will support IMO technical assistance to countries to help them meet new security standards. It will also help fund IMO evaluations of flag state adherence to IMO standards under an audit program currently being implemented to enhance adherence to safety and environmental, as well as security, standards.

UN Environment Program (UNEP) (\$10,025,000)

UNEP is the world's largest international environmental organization, and it provides important value to the United States on two levels. First, UNEP is the primary policy forum at which the countries of the world meet to address critical emerging environmental threats. In this fashion, UNEP has launched a wide range of important negotiations, such as those dealing with depletion of the ozone layer, global warming, loss of biodiversity, the trade in hazardous wastes, and pollution from persistent organic pollutants and other toxic chemicals and pesticides. This type of international policy forum is essential for dealing with global environmental problems that a single country or region could not address unilaterally.

Second, UNEP sponsors a wide range of environmental programs, many of which are important for U.S. interests. We strongly support UNEP's regional seas program, which helps address marine pollution and protects ecosystems around the globe, as well as its Division of Early Warning and Assessment, which identifies global and regional environmental problems. U.S. agencies coordinate and partner with these UNEP programs to foster environmental improvements. UNEP's Chemicals Unit has done a superb job in supporting work to develop new international agreements in this field to address emerging problems of concern to the U.S. such as mercury pollution. Other important UNEP programs include its support for the development of strong environmental laws and regulations, and enforcement in developing countries, its promotion of best available environmental technologies, and its work to identify the problems associated with air pollution in Asia (the so-called Atmospheric Brown Cloud).

Montreal Protocol Multilateral Fund (\$21,500,000)

The Department is requesting \$21,500,000 for the Montreal Protocol Multilateral Fund, which represents over 50 percent of the likely overall U.S. contribution of \$35 million. The U.S. contribution to the Montreal Protocol would benefit U.S. national interests by protecting the health of American citizens, the world community, and the global environment. The agreement, the Montreal Protocol on Substances that Deplete the Ozone Layer, ratified by the United States in 1988, protects the ozone layer by setting forth measures to control the global emissions of substances, such as chlorofluorocarbons, that deplete it. These manufactured chemicals emitted into the atmosphere have led to the destruction of the stratospheric ozone layer, permitting dangerously high levels of ultraviolet (UV) light to reach the earth's surface. Increasing UV radiation has been linked to higher rates of skin cancer, cataracts, and immunosuppression in humans and animals, as well as harmful alterations to global ecosystems. Since the inception of the Fund, over \$1,200,000,000 in assistance for agreed incremental costs has been provided in over 3,500 projects to more than 120 developing countries. When fully implemented, these projects will result in the permanent elimination of over 140,000 tons of ozone depleting substances. Obligations taken on by both developed and developing countries to the Protocol are expected to bring the ozone layer back to its pre-industrial state sometime around 2050.

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

International Conservation Programs (\$6,225,000)

Many developing countries face the daunting challenge of improving their standard of living while at the same time preserving their natural resources. Illegal logging and related illegal trade and corruption in the forest sector, for example, are robbing governments of much needed revenue. U.S. contributions to international conservation programs help address these problems by providing the means, policy approaches, and technical expertise to assist developing countries in building their capacity to conserve and sustainably manage vital ecological and economic natural resources. In some cases, modest U.S. contributions leverage millions of dollars in project co-funding. In addition, these programs offer mechanisms for the exchange of information and new environmental technologies, which have provided valuable new market opportunities for U.S. expertise and technical know how. These international programs include:

- The World Conservation Union (IUCN) is the foremost scientific forum for the advancement of U.S. conservation and sustainable development objectives and complements the international environmental priorities of U.S. agencies. IUCN technical and management expertise is helping advance emerging U.S. priority issues, such as addressing the ecological and economic damage caused by invasive species – the single greatest cause of habitat destruction after land conversion. The IUCN has six commissions that draw on the knowledge base of 10,000 volunteer scientific experts worldwide. Its mission is to encourage and assist societies throughout the world through the provision of sound scientific and technical advice; to conserve the integrity and diversity of nature; and to ensure that the use of natural resources is ecologically sustainable. U.S. funding helps to shape IUCN’s activities on such U.S. priorities as conserving tropical forests, coral reefs, endangered species, and combating invasive alien species.
- The International Tropical Timber Organization (ITTO) is the only international forum which brings together both producing and consuming countries of tropical timber to address all aspects of the tropical timber economy, including promotion of market transparency and sustainable management of the tropical forest resource base. Its 54 members represent 95 percent of world trade in tropical timber. The United States is one of the world’s largest importers of tropical timber, and U.S. domestic and importing industries actively participate in ITTO. ITTO’s recognition of the timber market’s dependency on sustainable harvesting links U.S. trade interests with U.S. priorities for sustainable forest management, with the goal of ensuring a long-term supply of tropical wood from well managed forests. Based on our experience, the modest annual U.S. contribution leverages six to ten times that amount in project co-financing from other major ITTO donors (Japan, Switzerland, Netherlands) and is allocated for projects of high priority to the United States.
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), concluded in Washington, DC, is the only treaty that monitors and regulates the international trade in species that are determined by the 154 parties to be threatened with extinction within their natural range, such as elephants, rhinoceros and many crocodilia. CITES advances U.S. environmental goals of preserving global biodiversity and important wildlife and plant species while affording possibilities for their sustainable development. The United States is a founding member of CITES and has significant influence in the decision-making process. The United States is serving currently as chair of the Standing Committee, which develops recommendations for the biennial Conference of Parties.
- The Ramsar Convention on Wetlands of International Importance provides the only global framework for national action and international cooperation for the conservation and wise use of wetland resources. In addition to information sharing and providing technical assistance to member states, the 135 parties to Ramsar have designated, with the cooperation of host governments, over 1,000 sites for inclusion in the Ramsar list of Wetlands of International Importance. The modest U.S. contribution to the Convention helps to support the core budget of the Convention and funds a U.S. -initiated wetlands training and capacity building grants program for the Western Hemisphere. The United States maintains a decision-making role in the grants funded under this initiative.
- The U.S. -inspired UN Forum on Forests (UNFF) was established in 2000 as a subsidiary body of the Economic and Social Council (ECOSOC), with the mandate to facilitate sustainable forest management, raise the standards of other countries to U.S. levels, and enhance cooperation and coordination among the many international organizations and treaties related to forest issues. The United States was actively engaged in establishing the UNFF as a practical and results-oriented mechanism to facilitate and improve coordination and efficiency among major multilateral forest-related initiatives. The existence of the UNFF has also allowed the U.S. to stave off pressure to

negotiate a new global forest treaty, which would require substantially more financial commitment and would adversely impact both U.S. environmental and economic goals.

- The Convention to Combat Desertification (CCD) is intended to address the fundamental causes of famine and food insecurity, especially in Africa, by stimulating more effective partnership among government representatives, local communities, and NGOs, encouraging the dissemination of information derived from new technology. The United States became a party in February 2001, which has provided an excellent opportunity to share extensive U.S. experiences and expertise in addressing desertification.
- The United States is one of 12 member countries of the Montreal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests. The Montreal Process countries account for 60 percent of the world's forests and over 90 percent of the world's non-tropical forests, as well as 40 percent of world trade in forest products. Participation enables the United States to advance national interests by promoting sustainable forest management in the developing countries of the Montreal Process and advancing the use of internationally agreed criteria and indicators worldwide. U.S. industry and the 50 states are actively engaged in the Montreal Process.
- The goals of the National Forest Program Facility of the Food and Agriculture Organization of the UN (FAO) are to integrate sustainable forest management into broader national policies to promote sustainable livelihoods and to build consensus among stakeholders on how to address forest issues in the context of sustainable development. The Facility offers grants for selected activities emphasizing practical efforts, participatory processes, informed decision-making, and public-private partnerships. It is hosted by the FAO and financed via a Multi-donor Trust Fund managed by FAO. U.S. contributions to the Facility would finance activities of high priority to the U.S., such as promoting good governance, improving forest law enforcement, and monitoring and assessing forest conditions.

Intergovernmental Panel on Climate Change (IPCC) / UN Framework Convention on Climate Change (UNFCCC) (\$5,600,000)

The IPCC and UNFCCC are the premier international structures for scientific assessments of climate change and for multilateral efforts addressing climate change. Multilateral efforts include the development of cooperative approaches toward addressing climate change. U.S. participation in the IPCC and UNFCCC helps ensure that U.S. approaches are reflected in the global effort to address climate change, and that these international efforts are science-based and consistent with U.S. environmental and economic interests.

The FY 2005 budget request for the IPCC and UNFCCC would be used to provide support to IPCC core activities and programs; the UNFCCC administrative budget for the 2004-05 biennium; voluntary contributions toward UNFCCC trust funds for developing country participation and for supplementary activities that advance U.S. interests; and the Global Climate Observing System for providing comprehensive observations for monitoring, modeling, and predicting climate variability and change.

U.S. participation in and support for the UNFCCC helps advance specific Administration initiatives regarding technology transfer to and capacity-building in developing countries, as well as the enhancement of bilateral climate change cooperation. U.S. participation in and support for the IPCC helps advance specific Administration initiatives regarding climate change science and technology, including global observation systems, carbon sequestration, and climate modeling.

International Contributions for Scientific, Educational & Cultural Activities (ICSECA) (\$500,000)

The FY 2005 request would provide for continued U.S. participation in the World Heritage Committee (WHC). As a States Party to the World Heritage Convention, the United States opted to pay voluntary contributions rather than agree to a fixed assessment. The U.S. contribution would be used to support technical assistance to countries for the protection and preservation of their world heritage sites and for emergency assistance to stabilize World Heritage sites and for related preservation purposes.

For the coordination of international ocean science programs of critical interest to the United States, ICSECA funding would continue to support the unique mandate and role of the Intergovernmental Oceanographic Commission (IOC), which the United States supported throughout its 18-year absence from UNESCO.

World Meteorological Organization (WMO) Voluntary Cooperation Program (\$2,000,000)

Since its inception in 1967, the WMO's Voluntary Cooperation Program has provided training and equipment to help developing countries participate in WMO programs, particularly the World Weather Watch (WWW). WWW provides the framework to coordinate the exchange of weather data and information through observing, telecommunication, and processing centers operated by nations throughout the world. The result of the WWW programs is the 24-hours-per-day/7-days-a-week global exchange of vital atmospheric and oceanic data and products to give the United States and other nations the basic information needed to better forecast severe weather events; assist with critical information on natural and man-made disasters that affect life, safety, water use, and crop yields around the globe; support civil aviation; provide basic global data needs for industry and many U.S. agencies, including the Department of Defense; and monitor changes in the climate throughout the world. WMO/VCP activities are managed by the National Weather Service and coordinated with organizations such as ICAO, IMO, FAO, the World Bank, and the European Union, as well as bilateral and other regional partners.

United Nations Children's Fund (UNICEF) (\$120,000,000)

Since its creation in 1946, UNICEF has not only retained its responsibilities for children in emergency situations but also has become the pre-eminent long-term development fund addressing the needs of children and their caregivers. The FY 2005 U.S. contribution to UNICEF would provide assistance directly to the world's neediest children, and contribute to the development of local capacity to help meet basic needs in maternal and child survival and health care, sanitation, clean water, nutrition, primary education, HIV/AIDS prevention, care of HIV/AIDS orphans, and child protection (child labor, child soldiers, and the commercial sexual exploitation of children). UNICEF has some 6,000 staff in the field and is active in 162 countries. Its development work complements USAID's Child Survival programs and the Center for Disease Control and Prevention's polio eradication program, and is closely coordinated with those U.S. agencies. Working with the UN Office for the Coordination of Humanitarian Affairs, UNICEF provides emergency assistance in countries destabilized by civil strife or natural disasters, most recently in Iraq, Sudan, Iran, Liberia, Ethiopia, and Afghanistan. U.S. contributions to UNICEF advance the strategic goals of humanitarian response; economic development and environmental protection; and promoting regional stability and democracy.

UN Development Program (UNDP) (\$90,000,000)

UNDP is the primary development agency in the UN system. UNDP implements programs in over 170 countries, focusing on poverty, democracy, environment and sustainable development, crisis prevention, and HIV/AIDS. Its programs generally support U.S. strategic interests including economic development, democracy, human rights, and global growth and stability. UNDP helps developing countries improve their

trade and investment potential, infrastructure, institutions, and rule of law (including anti-corruption). UNDP is present in most of the poorest countries and in those with the weakest governments. It assists these countries in developing the type of democratic governance and open and transparent institutions that can qualify them to participate in the President's Millennium Challenge Account.

UNDP has increasingly engaged in post-conflict situations. It has major reconstruction responsibilities in, among other areas, East Timor and Afghanistan, and perhaps may have responsibilities in Iraq in the future. A strong UNDP is the best way to counter efforts to put "peace building" activities into assessed accounts. UNDP is a valuable partner in the Administration's efforts to avert major crises, including terrorism, extreme poverty, devastating diseases and environmental degradation, through effectively applied economic assistance. The FY 2005 request would ensure that UNDP is able to perform this role while maintaining its important governance and capacity building assistance to governments in the least developed countries.

Program Assessment Rating Tool (PART)/Performance Evaluation

For preparation of the FY 2005 budget, the Administration evaluated the Department's contribution to UNDP for the first time using the Program Assessment Rating Tool (PART). UNDP received a rating of results not demonstrated. The program scored well in program purpose and design: to provide central funding and coordination of UN activities that advance economic and social development and poverty eradication worldwide. The assessment also found that the program does have a limited number of long-term performance goals with ambitious targets and timeframes. However, the assessment noted a lack of measurable annual performance plan targets and efficiency measures and no link between budget requests and performance goals. An efficiency measure has now been created, and the State Department will work with UNDP to address other recommendations. The findings of the PART review were considered as a factor in the overall decision-making process for resources allocation to UNDP.

Corresponding performance information (key goals and targets) for UNDP can be found in the Performance Summary volume of the integrated performance budget presentation on pages 22, 175 and 287.

Key Indicator: Operational support costs decreasing as a percentage of total costs to allow for increased program commitments.

International Organizations and Programs
(\$ in thousands)

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
International Organizations			
Center for Human Settlements	250	746	-
IMO Maritime Security Programs	-	-	100
International Civil Aviation Organization	300	994	1,000
International Conservation Programs	6,225	6,362	6,225
International Contributions for Scientific, Educational, and Cultural Activities	1,750	1,889	500
International Panel on Climate Change/UN Framework Convention on Climate Change	6,000	5,567	5,600
Montreal Protocol Multilateral Fund	23,000	20,876	21,500
OAS Development Assistance Programs	5,500	5,468	5,500
OAS Fund for Strengthening Democracy	3,356	2,982	2,500
OAS Special Mission in Haiti	-	4,971	-
Reserve to be Allocated	-	24,853	25,000
UN Children's Fund	-	119,292	120,000
UN Development Fund for Women	1,000	994	1,000
UN Development Program	100,000	101,398	90,000
UN Environment Program	10,500	10,935	10,025
UN High Commissioner, Human Rights	-	2,484	-
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights	1,500	1,491	1,500
UN Voluntary Fund for Victims of Torture	5,000	5,468	5,000
World Coffee Organization	500	-	-
World Food Program	-	-	6,000
World Meteorological Organization	2,000	1,988	2,000
World Trade Organization	2,000	994	1,000
Subtotal - International Organizations	168,881	319,752	304,450
Total	168,881	319,752	304,450