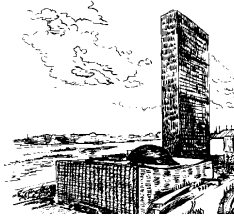


Part 8



Specialized Agencies and Other Bodies

Food and Agriculture Organization (FAO)

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

FAO's highest policy-making body, the biennial Conference, comprises all 183 FAO member states plus the European Commission (EC). The Conference approves FAO's regular program of work and budget. The November 1999 FAO Conference re-elected Director-General Jacques Diouf (Senegal) to a second six-year term, through December 2006. Each biennial Conference elects a 49-member Council to serve as the interim governing body through semi-annual meetings. The North America region, which comprises the United States and Canada, is allocated two seats on the Council. While the United States always maintains one of the two seats, it nevertheless undergoes the formal process of putting forth a candidate and being re-elected at each biennial session.

In 2001, the United States and other major contributors continued to press FAO to be more active in the system-wide UN reform process and more transparent in its decision-making. The United States also sought additional much needed reforms within the organization to improve governance and to further streamline its activities. The Strategic Framework 2000–2015, the first ever for FAO, called for more efficient use of scarce resources, contains criteria for priority setting, and specifies FAO's areas of comparative advantage.

Serving on the Finance Committee, the United States actively encouraged fiscal restraint, careful management, and good governance. Following concerted U.S. opposition to calls for a budget increase, the FAO Conference in 2001 approved a zero real growth budget of \$685 million for the 2002–2003 biennium. The United States abstained on the budget

vote because it contained a nominal increase, albeit minimal. Nonetheless, reining in FAO's pro-growth aspirations with the small nominal increase was a key U.S. accomplishment that left the organization with sufficient funding to accomplish its mandated functions.

The need for management reform notwithstanding, FAO remains a generally trusted, neutral source of comprehensive data for all agricultural commodities, forestry, and fishery products and related ecosystems. Its biennial "state of" compilations on food and agriculture, forests, fisheries and aquaculture, and food security (all published in 2001) represent the latest analyses on major areas within FAO's competence.

FAO promotes enhanced food security (through improved nutrition and expanded production and distribution of food and agriculture products) and aims to improve the lives of rural populations. Its in-depth institutional knowledge of farming and natural resources, and its response capabilities in pest control, natural disasters, and other emergencies, are assets for U.S. agricultural, economic, and humanitarian interests. Important examples are the FAO programs to monitor and control Desert Locusts and to eradicate rinderpest.

FAO develops international standards and promotes measures to ensure food safety and quality and safe agricultural chemical use. FAO also helps protect world agriculture and consumers through training and field disease control programs aimed at combating plant and animal (including aquatic animals) diseases and pests, and through stewardship of genetic diversity. Of particular importance to the United States are the joint FAO/World Health Organization Codex Alimentarius Commission, the revised International Plant Protection Convention, control of international plagues such as rinderpest, grasshoppers, and locusts, and the Commission on Plant Genetic Resources in Food and Agriculture. In 2001, negotiations were concluded under FAO auspices on the International Undertaking on Plant Genetic Resources, a treaty that will regulate all transactions related to a number of agricultural genetic resources. The United States participated actively in the seven-year negotiation leading up to the treaty. Though not a treaty signatory, the United States will remain closely involved in the continuing discussion over implementation, monitoring in particular for any impact on American intellectual property interests.

In the aftermath of natural disasters and other crises, FAO is the agency within the UN system that provides appropriate seeds and tools to farming communities to help reestablish devastated agricultural production. TCE, the Emergency Operations and Rehabilitation Division, worked to restore agricultural production in areas hit by natural disasters or war, including Afghanistan, Armenia, Georgia, Tajikistan, the Former Yugoslav Republic of Macedonia, Burundi, the Democratic Republic of the

Congo, Kenya, Sudan, and El Salvador. The U.S. Agency for International Development funded several of these programs, which ranged from providing seeds and tools to livestock restocking, farm mechanization, and other projects to restore income production and food security.

In fisheries, FAO provides a forum for and is the international body with sufficient expertise, membership, and mandate to tackle such global problems as overfishing. The United States played a strong leadership role in the development of four significant International Plans of Action, dealing with conservation and management of sharks; widespread problems related to fishing overcapacity; mitigating the incidental catch of seabirds in long line fisheries; and deterrence, prevention, and elimination of illegal, unregulated, and unreported fishing. Moreover, the United States enthusiastically supports current FAO efforts to develop a fifth International Plan of Action on improving information on the status and trends of capture fisheries, on the principle that what is not measured cannot be managed.

FAO is the UN Task Manager for forests and land degradation under Agenda 21, adopted by heads of state and government at the UN Conference on Environment and Development held in Rio de Janeiro in 1992. As such, FAO is the chair of the new Collaborative Partnership on Forests established to assist the UN Forum on Forests, chartered by the United Nations in 2001, to facilitate national actions for sustainable forest management and coordinate the forest related work of a number of international organizations, institutions, and treaties.

FAO is co-responsible with the UN Environment Program (UNEP), for implementation of the Rotterdam Convention on Prior Informed Consent for Certain Hazardous Chemicals and Pesticides in International Trade (PIC). The United States played a major role in the successful conclusion of the 1998 Rotterdam Convention restricting the trade of dangerous chemicals. Thus far, 60 countries and one regional economic organization have signed it. The United States signed the Convention in September 1998, but has not ratified it. It will enter into force once it has been ratified by at least 50 countries. The PIC procedure will require that certain hazardous chemicals and pesticides, which have been banned or severely restricted, are not exported unless the importing country explicitly agreed to receive them. FAO and UNEP provide the interim Secretariat of the Convention.

FAO is funded through assessed contributions of its members, based on the UN assessment scale, and from extra-budgetary activities carried out with other international organizations, financial institutions, and bilateral donors. It employs 4,300 staff (about 3,700 at headquarters) and has a biennial budget of \$650 million, supplemented by more than \$300 million in annual extra-budgetary contributions from donor agencies and govern-

ments. With the revised scale in effect as of January 2001, the U.S. annual assessment of 22 percent amounts to \$79 million. U.S. arrears to the FAO total \$106 million. U.S. voluntary contributions for transboundary pest control in Africa, projects in former Yugoslavia, the Caucasus, Afghanistan, and seven countries in Africa amounted to an additional \$6.4 million.

While the United States remains generally pleased with the technical services carried out by the FAO, it is concerned that FAO at times gets embroiled in inappropriate political activities, to the detriment of its overall mandate. The United States will closely monitor this situation, and continue to urge the FAO to focus on its core mandate.

International Atomic Energy Agency (IAEA)

The International Atomic Energy Agency (IAEA) serves critical U.S. security, counter-terrorism, and nuclear non-proliferation interests. The international safeguards system implemented by the IAEA is the first line of defense against both nuclear proliferation and nuclear terrorism. IAEA safeguards provide essential assurance that nuclear materials used in peaceful nuclear programs are not diverted and misused for nuclear explosive purposes or by terrorists. Similarly, the IAEA's work in nuclear safety provides assurance that nuclear activities are being conducted in manner consistent with international guidelines and standards.

There are 134 member states of the IAEA, which is headquartered in Vienna, Austria. The 35-member Board of Governors (of which the United States has a *de facto* permanent seat) is responsible for providing overall direction and guidance to the Agency's policies and program implementation. The Board meets in March, June, September, and December. The General Conference, held in September, consists of all members and carries out broad oversight of the Agency's work. The fourth Director-General of the IAEA, Mohamed El-Baradei (Egypt), assumed office on December 1, 1997, and his second four-year term was renewed in September 2001. He heads a Secretariat with over 2,200 professional and support staff.

The IAEA responded quickly to events of September 11, which focused international attention on the prevention of terrorism, including nuclear-related threats. The Agency's General Conference adopted a resolution on September 21, 2001 requesting the Director-General to review thoroughly Agency programs relevant to preventing acts of terrorism involving nuclear and other radioactive materials. In response, the Director-General prepared a report, later endorsed by the Board of Governors, which outlined an action plan to expand and strengthen existing Agency programs in such areas as physical protection of nuclear materials and facilities, detection of illicit trafficking in nuclear materials, and state systems of material accountancy and control. The Agency subsequently took

steps toward implementing the plan, providing states with expert advice, training, and equipment to better protect their facilities.

The United States welcomed the Director-General's report as a significant contribution to ensuring nuclear material security and pledged a contribution of \$1.2 million to help enhance the IAEA's role in combating terrorism. In a statement before the Board of Governors in September 2001, U.S. Secretary of Energy Spencer Abraham noted that the Agency's work in preventing the proliferation and misuse of nuclear materials was vital to the global war on terrorism.

Under the Nuclear Non-Proliferation Treaty (NPT), non-nuclear weapon state (NNWS) parties are required to conclude a comprehensive safeguards agreement with the IAEA. In addition, the IAEA applies safeguards to designated nuclear facilities in certain non-NPT states and in all five declared nuclear weapon states (United States, Russia, United Kingdom, France, and China), pursuant to their voluntary offers agreements with the IAEA. As of 2001, safeguards agreements with 141 states and Taiwan were in force. However, 52 NNWS parties to the NPT had not yet either concluded or brought into force a safeguards agreement with the Agency pursuant to the Treaty (down from 54 at the end of 2000). During the year, the Agency carried out inspections at more than 900 facilities in 70 countries. Inspections continued at U.S. plutonium and high enriched uranium storage facilities, following a 1993 U.S. decision to submit to Agency safeguards nuclear material declared excess to defense needs. As an NPT depository state and a party to the Treaty since 1970, the United States has provided long-standing diplomatic, financial, and technical support to the IAEA's safeguards' mission.

Since the early 1990s, the Agency has worked on strengthening its safeguards system. A key tool for doing so is the Model Additional Protocol, approved by the Board of Governors in 1997, which requires states to provide a broader range of information and gives more access rights to Agency inspectors. Despite an increase in the number of states for which additional protocols were concluded (57 to 61) and the number of protocols in force (18 to 24) in 2001, progress remained slow. The United States signed an Additional Protocol in 1998, but has not yet ratified it. Promoting universal adoption of the Model Additional Protocol is an important facet of the Bush Administration's nuclear non-proliferation policy.

In 2001, the IAEA remained unable to verify the absence of undeclared nuclear material and activities in two states of proliferation concern, Iraq and North Korea (DPRK). In Iraq, the Agency was unable to implement its inspection program, as mandated under UN Security Council Resolution 687 (1991) and other relevant resolutions. However, its Action Team has maintained its readiness to resume monitoring activities in Iraq,

under acceptable terms. Regular contact has been maintained by the Action Team with the UN Monitoring, Verification, and Inspection Commission (UNMOVIC) since the latter's establishment in order to coordinate efforts as required under UN Security Council Resolution 1284 (1999). The Agency also could not verify the correctness and completeness of the DPRK's initial 1992 declaration, and, therefore, could not conclude that no nuclear material had been diverted in that state.

The Agency spent \$70.8 million in regular budget funds on activities related to nuclear verification and the security of material, divided between \$70 million for the implementation of safeguards and \$0.8 million for the security material program. Of all expenditures, 18.3 percent came from extra-budgetary resources. The United States maintained its substantial extra-budgetary contribution, providing equipment and expertise to strengthen the safeguards system.

The Agency made strengthening the global safety regime a priority in 2001. It continued its work of recent years to improve safety practices and standards, with particular focus on Eastern Europe, the former Soviet Union, and Asia. Responding to ongoing concern about the safety of research reactors, the Agency initiated a range of measures toward the establishment of a comprehensive, internationally accepted safety regime for these reactors. Approximately 68 countries have operable, shut down, or under-construction reactors not subject to adequate regulatory control. The United States worked with the IAEA on developing a Code of Conduct on the safety of research reactors.

The United States also continued its support and participation in other IAEA nuclear safety activities in 2001. Many of these activities complemented ongoing bilateral nuclear safety assistance programs and were in support of existing Group of 7 Nuclear Safety Working Group policy and objectives. (The Group of 7 comprises Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.) Through a \$1 million extra-budgetary contribution to nuclear safety activities, the United States supported ongoing programs in the Agency's Nuclear Safety and Technical Cooperation Departments.

The United States contributed \$210,000 under the Extra-budgetary Program on the Safety of Nuclear Installations in South East Asia, Pacific and Far East Countries. As in the past, a U.S. delegation attended the year-end review and planning session for this program. Funds for this program were spent on implementing safety projects, such as a workshop on safety analysis methodology and computer code utilization. The United States provided an American cost-free expert to support this program.

The United States continued to support the Agency's efforts to control radioactive sources by contributing \$200,000 toward the Action Plan on

the Safety of Radioactive Sources and Security of Radioactive Materials. The United States also provided a cost-free expert to support this program.

The United States also provided a number of cost-free experts to assist in the operational and the engineering safety units of the Nuclear Safety Department. The United States continued to support the Department's safety service outreach program via expert participation in the Operational Safety Review Team, the International Regulatory Review Team, and the International Peer Review Service of Probabilistic Safety Assessments Teams in various countries.

In 2001, the Agency remained active in fostering international cooperation for the peaceful uses of nuclear technologies, and in transferring those technologies to developing countries. The IAEA continued its program of technical cooperation with over 90 of its 134 member states. Technical assistance supporting national priorities for sustainable development included projects focusing on the prevention of malnutrition in Asia and provision of clean drinking water in Madagascar.

Over the past four years, the Agency has conducted a comprehensive review of its management structure and operations. Of particular importance in this process has been the introduction of "results-based programming and budgeting" against which performance is measured at the end of the program and budget cycle. This has been accompanied by a proposed change to full biennial programming and budgeting. In this respect, 2001 was a transitional year for the Agency, which was marked by the incorporation of the initial components of the results-based approach. The consequence of this transitional year is that the Agency's fiscal cycle is now synchronized with those of other UN organizations.

The total IAEA assessed budget for 2001 was \$230 million, of which almost \$197.2 million was financed from contributions by member states. The U.S. regular assessment is approximately 25 percent of the IAEA regular budget. With the steady increase in IAEA responsibilities, the IAEA was extremely reliant on voluntary contributions to support many of its key programs, including safeguards. The United States remained the largest single contributor of voluntary support to the IAEA. The U.S. extra-budgetary contribution of \$47 million went to support the Technical Cooperation Fund, technical assistance to safeguards, cost-free experts, in-country technical projects, U.S.-hosted training courses and fellowships, nuclear safety projects, and application of safeguards on nuclear material excess to defense needs in the United States.

The IAEA tries to balance its staff geographically, although it does not have an official geographic distribution formula. While the Agency generally has had a good record of hiring Americans, the United States has been

disappointed in the recent decline in U.S. representation. The number of Americans in posts subject to geographic distribution dropped from 112 (16.5 percent) in 1999 to 101 (14.5 percent) by the end of 2001.

International Civil Aviation Organization (ICAO)

Established in 1944 and a UN specialized agency since 1947, the International Civil Aviation Organization (ICAO) fosters the safe and orderly growth of international civil aviation. ICAO sets international standards and recommended practices for civil aviation, thus ensuring its safety and security worldwide, and provides technical expertise for countries in matters of air safety and security. Because the United States leads civil aviation in the fields of research, safety and security innovations, and aviation manufacturing and transport, both the public and private sectors in the United States have great interest in the work of ICAO. Based in Montreal, ICAO has seven regional offices. The United States has always been a member of the ICAO Council, which currently has 33 members. The ICAO Council President is Dr. Assad Kotaite (Lebanon), whose term expires at the end of 2004, and the Secretary-General is R. C. Costa Pereira (Brazil).

ICAO reacted quickly to the September 11 terrorist attacks on the United States. On October 5, the triennial ICAO Assembly unanimously approved a resolution condemning the attacks and calling for a Ministerial meeting on aviation security. The Aviation Security Panel in November recommended changes to ICAO security standards on threat information sharing; the selection, training, and certification of security screeners; background checks on personnel with access to security areas; in-flight security personnel; and cockpit doors.

In January 2001, ICAO's Committee on Aviation Environmental Protection (CAEP) reached agreement on a new aircraft noise standard applicable to new aircraft designs. An important CAEP recommendation, supported by the United States, was the establishment of a new noise standard (Stage 4, scheduled to take effect in January 2006), which is 10 decibels lower on a cumulative basis than ICAO's current standard.

ICAO played an important role in efforts to resolve the dispute over the discriminatory EU regulation limiting the operation of re-engined or "hushkitted" aircraft, and aircraft of a certain design, within Europe. The U.S. challenge to EU regulation under Article 84 of the Chicago Convention led to intense negotiations between the United States and the EU under ICAO auspices on the issues. The September 25–October 5 ICAO Assembly unanimously adopted a resolution on aircraft noise management consistent with U.S. objectives. Subsequently, the EU repealed the hush-kits regulations and a new EU noise directive has been put into place. EU

member states have until September 2003 to implement the provisions of that directive—hopefully in line with the principles of the Assembly resolution.

The 1998 ICAO Assembly adopted an enhanced and more effective Universal Safety Oversight Audit Program, providing for regular, mandatory, systematic, and harmonized aviation safety oversight audits of all member states. By the end of 2001, ICAO had conducted assessments of 178 of its 187 member states. Poor security, lack of infrastructure, or the absence of recognized governments precluded assessments of some countries. The assessment program covered legislation, civil aviation organization, procedures and practices as they relate to personnel licensing, and the operation and airworthiness of aircraft. In line with U.S. goals, the 2001 ICAO Assembly expanded the program to cover air traffic services and airports. At U.S. urging, ICAO subsequently agreed to include accident investigation. The United States strongly supported ICAO's Safety Audit Oversight Program through financial assistance and the secondment of U.S. experts, which contributed to the safety of U.S. citizens traveling abroad.

The Montreal Convention, intended to replace the 1929 Warsaw Convention on liability for airline accidents, was opened for signature at Montreal, Canada on May 28, 1999. As of the end of 2001, it had 71 signatories and had been ratified by 12 states. In September 2000, the Convention was transmitted to the U.S. Senate for advice and consent to ratification. The Convention represented a considerable improvement over the liability regime established under the Warsaw Convention, for example by eliminating limitations on airline liability in the event of the death or bodily injury of a passenger. The Convention also expands the bases for jurisdiction for claims.

A Treaty on the financing and leasing of aircraft was approved on November 16, 2001 in Cape Town, South Africa at the conclusion of a Diplomatic Conference held under the joint auspices of ICAO and UNIDROIT (a non-UN organization that promotes private international law). The Convention on Mobile Equipment Financing provides for the creation of an international registration system for aircraft designed to reduce the risk of aircraft financing by clarifying and strengthening the rights of parties who have interest in the equipment, thus lowering the cost of such financing. The United States strongly supported the convention, although it had not signed it by the end of the year. The principles of the convention will be extended to other international mobile equipment, including space objects, ocean vessels, and railway cars.

During 2001, ICAO continued work on the implementation of the Global Navigation Satellite Systems (GNSS), an advanced satellite navigation system which uses the U.S. Global Positioning System (GPS) and the Rus-

sian Global Navigation Satellite System in many civil applications, including aviation. During 2001, ICAO promulgated standards for augmentation of the GNSS. These standards are completely compatible with the GPS. It also continued work on precision approach standards that will be compatible with GPS.

ICAO continued to improve its communication networks with its 187 contracting states during 2001. The establishment of ICAO–Net has made an increasing number of ICAO documents and databases available via the Internet, which should provide future cost savings. Regional offices also are being linked electronically to ICAO Headquarters in a secure network.

In 2001, ICAO considered establishing the International Finance Facility for Aviation Safety (IFFAS), a proposed program to provide assistance to developing countries to remedy aviation safety deficiencies. The United States is concerned that ICAO is going beyond its traditional standard setting role into areas in which it has little expertise. The United States insisted that if IFFAS is established it should be funded by voluntary, rather than assessed, contributions.

ICAO's budget for 2001 was \$49.9 million, of which the U.S. share, at 25 percent, was \$12.5 million. That amount was reduced by \$500,000 for credits from past surpluses, bringing the total to \$12.0 million. In fiscal year 2001, the U.S. Government provided \$300,000 in voluntary financial contributions and seconded several U.S. experts to ICAO programs, including safety oversight, aviation security, and English language training. At the end of 2001, ICAO staff totaled 684. United States citizens are under-represented at ICAO, with only 11 of 213 professional positions subject to geographical distribution. Yugoslavia and Andorra joined ICAO in 2001, bringing its total membership to 187.

International Fund for Agricultural Development (IFAD)

The International Fund for Agricultural Development (IFAD) was established in 1977 as a multilateral financial institution focused on promoting rural agricultural development in poorer countries. Nearly 75 percent of the world's 1.2 billion poorest people live in rural areas, largely as small-scale producers and subsistence farmers. IFAD's specific mandate is to increase their productivity and incomes, improve their nutritional levels, and help integrate them into larger markets. IFAD seeks to design and fund innovative and appropriately scaled programs in such areas as rural institution-building and micro-finance. IFAD devotes all of its resources to combating rural poverty.

The Fund's highest authority is the Governing Council, on which all 162 member states (including the United States) are represented. The President, elected by the Council, is the Fund's chief executive officer. Len-

nart Bage (Sweden), the current President, was elected in February 2001. The first President from a developed country, his candidacy was strongly supported by the United States. The United States is by far IFAD's largest shareholder with 9.7 percent of the voting power, followed by Saudi Arabia with 5.8 percent, and Japan with 3.6 percent.

At the request of the U.S. Agency for International Development, the Treasury Department assumed lead-agency responsibility for IFAD in February 2000. IFAD's specific mandate is consistent with the U.S. Government's international assistance priorities. IFAD's work supports several U.S. objectives. Agriculture and rural development are essential to U.S. efforts to reduce poverty and improve food security worldwide.

To date, IFAD has financed 600 projects in 116 countries for total commitments of approximately \$7.2 billion. These projects usually include components for agriculture and livestock development, natural resource management, local capacity building, rural finance, and gender mainstreaming. New commitments in 2001 totaled \$405 million for 25 loans averaging \$16 million each. In addition, IFAD provided \$17 million for 16 technical assistance grants. Examples of how recent loans are being used:

- In El Salvador, IFAD loaned \$20 million for a Reconstruction and Rural Modernization Program to improve the lives of 233,000 individuals living in rural poverty in five states which have been hard hit by the combined effects of El Nino, Hurricane Mitch, and, most recently, earthquakes in 2001;
- IFAD loaned \$14.2 million for the Northwest Frontier Barani Area Development Project in Pakistan to reduce poverty in remote areas among small land holders;
- IFAD loaned \$16.34 million for the Agricultural Marketing Systems Development Program in Tanzania that aims to increase the efficiency and productivity in the agribusiness sector. A provision has been made for technical assistance to the Government to undertake studies to evaluate current policies and recommend reforms; and
- In Rwanda, IFAD loaned \$12 million for the Umutara Community Resource and Infrastructure Development Twin Project to support the development of participatory planning and service delivery processes among 35,000 families living in three districts. The project supports the country's transition as it emerges from conflict and directs demand-driven assistance to the most marginalized communities.

Nearly two-thirds of IFAD loan commitments are on concessional terms (40-year maturity, 10-year grace period). Up to 7.5 percent of total finance is provided in the form of technical assistance grants. IFAD lever-

ages its limited resources through co-financing from borrower governments, bilateral and other multilateral donors, and nongovernmental organizations; in fact, up to 30 percent of funding for IFAD projects has been mobilized from other financing sources.

IFAD's loan and grant commitments come from three sources: contributions from members, loan reflows, and investment income. About two-thirds of contributions have been provided by industrialized member states, and one-third by developing member states. Since IFAD's establishment, the United States has contributed \$603 million. The Fund relies on three-year "replenishments" for its resources. "IFAD-V," the fifth replenishment, covering the 2001-2003 period, in the amount of \$451.5 million, became effective in September 2001. In 2000, the United States pledged \$30 million over two years (2001-2002) towards IFAD's fifth replenishment. In 2001, the United States contributed \$5 million.

Out of a total staff of 290 persons (132 professionals and 158 support staff), U.S. citizens fill 26 positions, or 8.9 percent.

International Labor Organization (ILO)

The International Labor Organization (ILO), founded in 1919, is the only UN organization in which the private sector participates fully with governments. Representatives of workers' and employers' organizations are members of the Governing Body, the ILO's executive board, and of national delegations to the annual International Labor Conference (ILC), the ILO's supreme legislative body. Based in Geneva, Switzerland the ILO has 175 member states. Juan Somavia (Chile) was elected Director-General of the International Labor Office (the ILO Secretariat) in 1998. His five-year term began in March 1999. The U.S. working relationship with the ILO in 2001 was excellent.

As the Government of one of ten countries of "chief industrial importance," the United States has a permanent seat on the ILO's 56-member Governing Body. In addition, an American worker (from the AFL-CIO) and an American employer (from the U.S. Council for International Business) each have won election to seats on the Governing Body. They speak and vote independently of the U.S. Government.

The ILO's mandate is to advance humane conditions of labor and social stability around the world by promoting democracy and human rights, employment and the alleviation of poverty, and equality and protection of working people. The ILO seeks to define common standards of decency applying to workers among nations involved in international trade. The ILO serves U.S. business and labor by providing a forum for participation in development of international labor standards. It promotes fair trade competition in labor markets through advocating universal application of core labor standards, such as the ILO's Declaration on Funda-

mental Principles and Rights at Work and the new Convention on the Worst Forms of Child Labor.

The ILO is an important ally in the U.S. global attack on exploitative child labor. Ratification rates by the end of 2001 were unprecedented (over 100 member states) for the ILO's new Convention No. 182 on the worst forms of child labor. In 2001, the ILO devoted much effort to implementing projects to abolish child labor and to delivering services to children. The ILO's International Program for the Elimination of Child Labor (IPEC), funded by significant voluntary contributions from the U.S. and other donors, is achieving impressive results. In June, IPEC launched a new initiative to eliminate the worst forms of child labor entirely in selected countries within a determined period of time, generally 5–10 years. By joining with worker and employer organizations, nongovernmental organizations, and other international organizations, including the UN Children's Fund, the ILO leveraged its expertise into effective programs that remove children from the workplace, place them in schools and provide their families with alternative income-generating opportunities. The U.S. voluntary contribution to IPEC totaled approximately \$45 million in 2001.

Government, worker, and employer delegations from the United States actively participated in Governing Body sessions in March and November 2001, and in the 89th session of the ILC in June 2001. U.S. delegations also participated in tripartite sectoral meetings during 2001, focusing on HIV/AIDS, the social and safety consequences on the civil aviation and tourism industries subsequent to the terrorist attacks of September 11, and on maritime labor standards, among others. During 2001, three recurring issues of importance to the United States at the March and November Governing Body sessions and the June ILC were widespread violence against trade unionists in Colombia, forced labor in Burma, and the ILO's role in mitigating the social complications arising out of globalization.

In the ongoing effort to combat continued widespread violence against trade unionists in Colombia, and in response to a June 2001 ILC directive, the Director-General organized a special, three-year technical cooperation program to promote trade union rights. The program is centered on projects already financed by the Governments of the United States and Colombia. The program will help protect the lives of trade union and business leaders, promote trade union rights and collective bargaining, raise public awareness of fundamental worker rights, reform Colombia's labor laws, and promote good industrial relations. The program will cost \$7.2 million, of which \$4.9 million will be absorbed by the ILO budget and existing extra-budgetary commitments from donors, and the remaining amount will be covered by voluntary contributions.

Forced labor in Burma continued to dominate discussions at major meetings in 2001. The June ILC welcomed Burma's invitation to an ILO team to visit but declined to commit in advance to repeal an ILC 2000 resolution calling on the international community to review its relations with Burma because of its forced labor practices. In November, the Governing Body discussed the comprehensive report of the autumn visit of a high level team and agreed on the following three points: the need to establish an ILO presence in Rangoon; the need to appoint an ombudsperson to receive complaints of forced labor; and to resolve a case of seven villagers allegedly killed for complaining about forced labor. By the end of 2001, the Government of Burma had agreed to cooperate with the ILO on the first point, establishing an ILO presence, at least to the extent of receiving temporary visits but did not commit to address the other two points. The debate will be resumed in the March 2002 session of the Governing Body.

In November 2001, the Governing Body authorized the Director-General to appoint a world commission of eminent persons to address the social dimensions of globalization. Approximately 18 persons, who will act in their personal capacity, will be drawn from business, trade unions, governments and interests groups. The composition of the commission will be announced in early 2002 and their report will be submitted to the International Labor Conference in 2003. The World Bank, the UN Conference on Trade and Development, International Monetary Fund, and other institutions will provide technical contributions to the work of the commission.

The UN Staff College, located at the ILO Training Center in Turin, Italy completed its fourth year of operations and will become an independent institution on January 1, 2002. It will continue to share the Center's premises on a cost basis for services provided while continuing to contribute to the ongoing process of system-wide UN reform through short, focused training in areas such as managing within existing resources.

In 2001, the ILO's regular budget was approximately \$233 million. The U.S. assessment for the ILO was 89.4 million Swiss francs or approximately \$55 million, contributing 25 percent of the ILO's budget. In June 2001, the ILC voted to follow the UN lead in adopting a new scale, reducing the U.S. assessment from 25 percent to 22 percent effective January 2002. In addition to the voluntary contributions to IPEC, in 2001 the United States also provided \$20 million to promote the ILO's Declaration on the Fundamental Principles and Rights at Work. The ILO has 654 professional posts, 94 of which are held by American citizens (14.4 percent up from 13.2 percent in 2000).

International Maritime Organization (IMO)

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

A 32-member Council, which includes the United States, governs the IMO. The IMO's Secretary-General is William O'Neil (Canada), whose term expires at the end of 2003. The IMO has a staff of about 274 based at its London headquarters and three regional offices in Africa (in Kenya, Ghana, and Cote d'Ivoire). U.S. citizens hold four of the 82 professional staff positions subject to geographical representation. The Islamic Federal Republic of the Comoros and Saint Kitts and Nevis joined IMO in 2001, bringing its total membership to 160 full members and two associate members (Hong Kong, China and Macao).

Maritime security moved to the top of the IMO agenda following the September 11 terrorist attacks in the United States, which was consistent with U.S. objectives. The IMO's 22nd Assembly on November 20 unanimously adopted a resolution calling for the organization to seek ways to enhance maritime security. It also approved a long-term workplan for the organization that included the prevention of acts of terrorism against shipping as a high-priority item. The Assembly also agreed to schedule an international conference in 2002 to develop new standards and procedures aimed at improving security, including at a special meeting funded by the United States. The IMO earmarked additional funds for technical cooperation in maritime security.

In its April meeting, the IMO's Marine Environment Protection Committee approved a new timetable for accelerating the phase-out of most single hull oil tankers by 2015. The timetable will be incorporated in a revised International Convention for the Prevention of Pollution from Ships (MARPOL) regulation. The revised regulation will enter into force in September 2002, the earliest date possible under the MARPOL Convention. The United States does not oppose the revision but, because it has even stricter domestic standards than the revised MARPOL regulation, it will not become a party to the new MARPOL standard.

The International Convention on the Control of Harmful Anti-fouling Systems on Ships was adopted on October 5 at the end of a Diplomatic Conference held at IMO headquarters. Parties to the Convention are

required to prohibit and/or restrict the use of harmful anti-fouling systems on ships flying their flags, as well as on other ships under their authority or in their ports, shipyards, or offshore terminals. The Convention applies to ships of over 400 gross tons engaged in international voyages and will enter into force 12 months after 25 states, representing a total of 25 percent of the world's merchant shipping tonnage, have ratified it. Anti-fouling paints are used to prevent the buildup of sea life such as algae and mollusks on ship bottoms. They have harmful effects on marine life and the marine environment, and possibly enter the food chain. The United States supported the Convention, which opens for signature in 2002.

A Diplomatic Conference held at IMO headquarters March 19–23 reached agreement on the details of the International Convention on Civil Liability for Bunker Oil Pollution Damage, which establishes a liability and compensation regime for bunker oil spills from ships other than tankers. It applies to ships of over 1,000 gross tons and will enter into force one year after the date on which 18 states, including 5 states each with ships whose combined gross tonnage is at least 1 million gross tons, have either signed it without reservation as to ratification, or have ratified it. The United States does not intend to become a party to the Convention because it has adequate domestic legislation on the subject.

As a major player in international maritime trade, the United States reaps great benefits from the work of the IMO while paying only about 4 percent of the IMO's 18.2 million pound sterling (about \$26.2 million) 2001 budget, or about \$1.1 million. Assessments are based chiefly on registered shipping tonnage, with major open registry countries among the largest contributors. After four years of zero nominal growth, the IMO's 22nd Assembly in November 2001 approved a budget increase for the 2002–2003 biennium 6.7 percent over the previous biennium designed to offset inflation. The United States had advocated zero nominal growth for the 2002–2003 biennium.

International Telecommunication Union (ITU)

Established in 1865 as the International Telegraph Union, the International Telecommunication Union (ITU) serves as a forum for governments and the private sector to coordinate issues affecting the operation of international telecommunication networks and services. ITU has headquarters in Geneva, Switzerland. There are presently 189 member states in the ITU and over 600 private-sector members. Plenipotentiary Conferences, to which all ITU members are invited, are held every four years. The next conference is scheduled for September 2002, in Marrakesh, Morocco. The ITU member states elect five senior officers of the ITU (Secretary-General, Deputy Secretary-General, and the heads of the Radio, Technical,

and Development Sectors) to four year terms. Yoshio Utsumi (Japan) was elected Secretary-General in 1998.

Along with France, Germany, and Japan, the United States contributed 30 contributory units (CU) in 2001, the highest number of contributory units. The CU was set at the zero nominal growth level of \$186,600, resulting in a total U.S. contribution of \$7.464 million (using the 2001 average exchange rate of Swiss francs 1.6881 = \$1.00). Some member states attempted to raise the level of the CU, but the United States opposed this, calling for better financial reporting so more informed decisions can be made on such things as cost recovery for specific services to member states.

The 46-member ITU Council, of which the United States is a member, is an elected body comprised of representatives from five regions—the Americas, Western Europe, Eastern Europe, Africa, and Asia. The Council meets annually between the Plenipotentiary Conferences to address management and other issues. In 2001, the Council forwarded to the UN General Assembly a proposal for a global conference on telecommunications and information, the World Summit on the Information Society (WSIS). The United States opposed this summit as a matter of policy to limit the proliferation of global conferences, but was unsuccessful in the face of widespread member state support. The WSIS will be held in two sessions, the first in Geneva, Switzerland in 2003, and the second in Tunis, Tunisia in 2005.

The United States is a member of the Working Group on Reform (WGR) established pursuant to Resolution 74 passed at the ITU 1998 Plenipotentiary conference. The WGR was tasked with formulating recommendations on structural reform to be presented at the 2002 ITU Plenipotentiary Conference. The WGR finished its work and presented its final report of 40 Recommendations to Council in 2001. The recommendations included modifying internal ITU bodies' elections procedures; more efficient organization of the telecommunication development sector; better coordination among the strategic, operational, and financial planning processes; and participation of non-Council member states and Sector Members (private sector) in Council meetings, among others. The Council adopted some of these resolutions immediately, forwarded others to the Plenipotentiary for action, and formed several sub-groups to resolve differences among member states on the remaining recommendations.

The United States is active in ITU reform and played a central role in the WGR focusing on improving management practices, particularly financial management. The United States agreed with most of the recommendations, but believes that substantial room remains to improve ITU financial management, including the quality and level of detail in its reports to member states. The United States is particularly concerned

about the growing use of cost recovery for specific services such as Satellite Network Filings (required to avoid frequency interference among communications satellites in geostationary orbits). At issue was the detail of reporting provided by ITU to member states and companies on the costs of filings. Without adequate cost allocation detail, charges by ITU to recover these costs lack credibility. This issue was central to all current and proposed cost recovery activities. The U.S. position was that without identifiable and auditable costs, it opposed expanding the use of cost recovery. The United States worked with member states and the ITU to find ways to improve this reporting.

Additional challenges faced the ITU and member states with strong equities in its efficient operation. These included replenishing depleted reserve accounts, ensuring that adequate annual set asides of funds adequately reflect the future costs of maintaining capital assets, and revising its staff regulations to improve working conditions for staff and allow more flexible staff mobility to work centers with skills shortages.

Of all the ITU activities, World Radio Communication Conferences (WRC) are most central to U.S. national interests and to U.S. membership in ITU. These conferences allocate scarce frequency spectrum bands to member states which, in turn, allocate them to government and private industry, primarily the telecommunication industry. The WRC last met in 2000, in Istanbul, Turkey, and will next meet in 2003.

The next quadrennial World Telecommunication Development Conference (WTDC) is scheduled for 2002 in Istanbul. Throughout 2001, ITU-D, the development sector of ITU, focused on implementing the 1998 Valetta Action Plan, specifically national efforts in developing countries undertaken by the regional offices. By including private-sector participation in national workshops, ITU-D encourages government partnerships with the private sector, aimed at developing infrastructure and increasing teledensity. The United States used its participation in WTDC as an opportunity to reinforce its policy that sustainable development of telecommunication infrastructure, and delivery of the benefits of information technology to developing nations is best achieved through free market mechanisms operating in an environment of transparent and accountable national governance. The United States argued that private investment, the largest source of financing for development, will be attracted most to those developing countries that foster free markets, democratic institutions, and transparent and predictable regulatory regimes.

ITU budgets biennially. Its 2000-2001 budget was \$196.6 million, or \$98.3 million per year (from both assessed contributions and cost recovery revenue). The U.S. \$7.464 contribution represented 7.59 percent of ITU's total budget. For 2001, out of 289 ITU posts subject to geographic distribution, Americans occupied 16 of those, or 5.5 percent of the total.

International Trade Center (ITC)

The International Trade Center (ITC), headquartered in Geneva, Switzerland, is a joint subsidiary organization of the UN Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO). Unlike its parent organizations, ITC is a “hands-on” body, working mainly with developing country private sectors to design and implement trade development strategies, strengthen key trade support services, and improve export performance and international competitiveness. ITC also provides technical assistance to developing countries and economies in transition (i.e., former Eastern Bloc countries) to promote their integration into the multilateral trading system.

Two noteworthy ITC programs, ongoing in 2001, were the “World Trade Net Program” and the WTO/UNCTAD/ITC Joint Integrated Technical Assistance Program in Selected Least-Developed and Other African Countries (JITAP). The United States views such programs as effective in helping developing countries and their business sectors to create knowledge and expertise in order to take advantage of trade opportunities. The World Trade Net Program has a global reach, while the JITAP delivers integrated technical assistance from the three organizations simultaneously to eight countries in Africa: Benin, Burkina Faso, Cote d’Ivoire, Ghana, Kenya, Tanzania, Tunisia, and Uganda.

In 2001, ITC sponsored a worldwide e-discussion on the usefulness of trade promotion boards. It also published a series of trade-related studies and information pamphlets, with titles such as “Business Guide to the WTO,” “Export Services in the Digital Economy,” “Small and Medium-sized Enterprise Competitiveness in Informational Technology,” and “Trade Secrets.” During the year, the U.S. Agency for International Development coordinated with ITC on technical assistance training at the Center’s Geneva headquarters. The United States also attended the May 2001 Joint Advisory Group Meeting, where the U.S. delegation praised ITC as a well-managed organization.

ITC’s 2001 expenditures were \$31.7 million, about 65 percent of which was for substantive programs. Its 2001 staffing level was 183 employees (13 U.S. citizens). The WTO and UNCTAD provide just over half of ITC’s funding. Another third is provided by voluntary contributions, and the remaining 10 percent is provided by the UN Development Program and other sources. The United States does not contribute to the ITC’s voluntary fund.

UN Educational, Scientific, and Cultural Organization (UNESCO)

The UN Educational, Scientific, and Cultural Organization (UNESCO) was established in 1945, with the primary objective of contributing to peace and security worldwide by promoting collaboration among nations through education, science, culture, and communication in order to further universal respect for justice, for the rule of law, and for human rights and fundamental freedoms. UNESCO'S major priority programs seek to promote and vigorously defend the free flow of ideas; open access to education for all; build understanding of democratic principles and practice; transfer scientific knowledge and construct infrastructures necessary to that end; and protect the cultural and natural heritage of humankind.

The organization's total membership remained at 188 sovereign states in 2001. UNESCO is headquartered in Paris, France, and its activities exist in most of its member states, in collaboration with UNESCO National Commissions and through field offices (over 50 as of the end of 2001, with 9 offices in the process of closing).

Director-General Koichiro Matsuura (Japan) was elected to head UNESCO in 1999. Ongoing organizational reform under his leadership was the dominant activity in 2001. Though Matsuura has eliminated 60 of 180 director-level posts, simplified internal structures, and prioritized program activities since taking office, there is scope for further streamlining of staff and functions and for further program prioritization. Also, UNESCO still has tendencies to pursue initiatives that are not clearly defined, such as possibly developing a convention on Intangible Cultural Heritage, or that are being addressed in other fora, such as human rights and bioethics. The United States, functioning solely as an Observer Mission in UNESCO, does not participate in formulating these substantive issues. However, the United States continued to believe that UNESCO has made strides in addressing the issues that led to U.S. withdrawal from the organization in 1984.

The overall goal of U.S. participation in UNESCO's activities during 2001 was to work, in a manner consistent with observer status, to protect and promote U.S. interests in the organization. As a non-member state, the United States paid no assessed contribution, but provided approximately \$1.75 million in extrabudgetary contributions to selected UNESCO programs out of UNESCO's total of \$338.9 million in extrabudgetary resources. Of the 2,186 staff members, 24 are American, a reflection of the U.S. withdrawal in 1984.

During 2001, U.S. representatives attended the 161st and 162th sessions of the UNESCO Executive Board, the 31st General Conference, the

34th Session of the Executive Council of the Intergovernmental Oceanographic Commission, and a number of other important UNESCO meetings on education, hydrology, science, and cultural heritage protection. A 12-member U.S. delegation comprising maritime, commercial, defense, and archeological interests also participated in two final experts group meetings prior to a General Conference vote to adopt a new convention for the protection of underwater cultural heritage. Regrettably, the United States and 19 other delegations were not able to endorse approval of the final text, primarily due to differences over the issue of coastal state jurisdiction. The convention had the support of 87 delegations to the General Conference.

The 31st General Conference adopted Executive Board recommendations to approve a zero nominal growth budget for the next biennium (\$544,367,250), endorse UNESCO's alignment with the UN scales of assessment for the next biennium, and reduce the Director-General's term from six to four years. The governing bodies further advanced organizational reform during the year by endorsing criteria to govern travel and entertainment costs of governing body executives. In a breakthrough decision, permission was also granted to launch a review of the costs of the governing bodies, which will include not only delegates' travel but the issue of allowable per diems. The Executive Board also supported ongoing improvements in staff policy and encouraged the Director-General to proceed with the new human resources framework, which is based on quality recruitment, a results-based performance appraisal, training and career development, and staff mobility.

In a significant development, UNESCO's 31st General Conference adopted a unanimously supported resolution calling for international cooperation to prevent and eradicate acts of terrorism, stressing that "those responsible for aiding, supporting or harboring the perpetrators, organizers and sponsors of such acts will be held accountable." The resolution included a paragraph stating that UNESCO has a duty to contribute to the eradication of terrorism, and invited the Director-General to take action through UNESCO's programs and studies to accomplish that end.

In the face of what he called a "crime against culture," Director-General Matsuura condemned the Taliban's destruction of the Buddhas of Bamiyan, and the "cold and calculated destruction of cultural properties which were the heritage of the Afghan people, and, indeed, of the whole humanity." UNESCO established a fund for the safeguarding of Afghanistan's cultural heritage, both Islamic and pre-Islamic. Matsuura also promised to fight against the traffic in Afghan cultural properties by appealing to dealers and collectors to safeguard Afghanistan's cultural heritage. To contend with such traffic, outlawed by a 1970 Convention, steps are being taken with the support of the Swiss authorities to regain

possession of endangered Afghan goods and “place them in safe-keeping until they can be returned to Afghanistan.”

As in past years, the United States continued to play a significant role in the work of the two independent bodies associated with UNESCO: the Intergovernmental Oceanographic Commission and the World Heritage Committee. In preparation for the 25th session of the World Heritage Committee (Helsinki, Finland, December 2001), the United States contributed throughout the year to the formulation of recommendations aimed at enhancing implementation of the Convention, revising its operational guidelines, and increasing representation of both the World Heritage List and the World Heritage Committee.

Universal Postal Union (UPU)

The Universal Postal Union (UPU), with headquarters in Bern, Switzerland, exists to facilitate international communications through the efficient operation of postal services across borders. The United States has been a member of the UPU since its founding (as the General Postal Union) in 1874. The UPU has 189 member states. Thomas E. Leavey (United States) is the Director-General. He is the only American to be elected head of a UN-system agency.

During 2001, U.S. delegations attended the annual meetings of the 40-member Postal Operations Council in April and the 41-member Council of Administration in October, and three meetings of the High Level Group (HLG) on the Future Development of the UPU. All meetings were held at UPU headquarters. The U.S. Postal Service also led and participated in numerous UPU working groups during the year, sharing U.S. expertise on issues such as postal security (including anthrax detection and handling of potentially dangerous mail), postal development, quality of service, express mail, direct marketing, and financing arrangements, including UPU “terminal dues” procedures.

Pursuant to 1998 legislation giving the Department of State primary responsibility for U.S. relations with UPU, State representatives headed U.S. delegations to meetings of the Council of Administration and the HLG. Officers of the U.S. Postal Service and the U.S. Postal Rate Commission joined the delegations. Seeking to ensure an independent right of direct access to, and participation in, UPU meetings for private-sector postal stakeholders, the Department of State also included representatives of private-sector mailers and express carriers on U.S. delegations in an effort to increase their exposure to and participation in the work of the UPU. The United States was the only country to broaden its delegations in this way.

The major event of 2001 was the formal decision of the Council of Administration to open up the UPU governing body meetings to represen-

tatives of the private sector—express carriers, mailers, postal equipment manufacturers, trade unions, and other postal stakeholders. The Council endorsed a complex set of proposals from the HLG. After deliberations over a two-year period, the HLG recommended that the next UPU Congress, in 2004, establish a new private-sector “Consultative Committee” whose members could attend, as observers, meetings of the Council of Administration, the Postal Operations Council, and the UPU Congress. Before this proposal receives formal approval in 2004, it was agreed that members of the private-sector Advisory Group, created by the 1999 Congress, could fill this role and be invited to the same meetings, beginning at the next such session in April 2002. The U.S. delegation promoted this opening of the UPU throughout the reform discussions.

Despite this progress, some of the more conservative members of the UPU sought to protect and maintain the organization’s original focus on traditional postal operations. They repeatedly objected to efforts to permit private-sector stakeholders to attend UPU meetings, particularly the express couriers, whom they argued would use access to the meetings to gain commercial advantage, take business away from the posts, and impair the financial ability of the posts to carry out their universal service obligations. However, the majority of the members of the UPU Council of Administration, led by the United States, pressed for and obtained a consensus decision calling for more openness and transparency.

The UPU private-sector Advisory Group held meetings in April and October, 2001. Representatives of the Department of State and U.S. Postal Service participated. U.S. officials continued to encourage all interested private-sector parties to take advantage of the new opportunity permitting private organizations to gain familiarity with UPU operations and to offer their input. Twenty-seven organizations were invited to the first meeting, covering a range of interests from express carriers to direct marketers, labor unions, postal equipment manufacturers, and promoters of postal services for the world’s blind people. Subsequently, the Department of State arranged for several other U.S.-based organizations to join the Advisory Group and contribute to its meetings. U.S. representatives participated in meetings of a small steering committee that discussed ways to improve the Advisory Group’s work and implement the proposal for a new Consultative Committee.

The United States planned to continue to emphasize the need for the UPU to address dynamic changes in the global postal market, including the growing prominence of electronic mail, the Internet, express carriers, and growing alliances between public and private postal operators and among the postal services of different countries.

U.S. officials devoted major attention during the year to the provisions of Article 43 of the UPU Beijing Convention (1999), which deals with

remail. The situation in which a mailer in one country ships mail to a second country for delivery in the original country in order to benefit from lower rates under the UPU terminal dues system received scrutiny. To develop better information on this complex subject, the U.S. Postal Service, the Department of State and the Postal Rate Commission in 2000 contracted a study of the projected impact of Article 43 on the U.S. Postal Service under varying conditions and situations. The study was expected to be concluded in 2002.

U.S. Postal Service and Department of State officers participated in a meeting of the Consultative and Executive Council of the Postal Union of the Americas, Spain and Portugal (PUASP), held in March 2001 at PUASP headquarters in Montevideo, Uruguay. The U.S. delegation used the opportunity to discuss and promote reform in the postal sector, particularly in UPU and PUASP, and to urge attention to the need for balanced customs treatment for postal systems and express carriers.

During the year, the Department of State continued to broaden the amount of information about UPU made available to the public. The Department of State published on its website reports on the results of UPU meetings on its website. The Department of State also published advance notices of public briefings offered by State and reports on those briefings. The Department convened a special briefing in November 2001 to provide explanations to the private sector of the newly adopted reform measures.

The Council of Administration in April approved, with U.S. support, a recommendation that the UPU Congress be held every four years instead of every five. This schedule would allow more frequent review of the rapid changes in the international postal sector by governments and postal administrations of all 189 member states. This change in periodicity also would be compatible with UPU's newly implemented biennial budgeting system.

UPU budgets are calculated in Swiss francs. The organization's first biennial budget was put into effect for 2001–2002. This budget, which maintains a policy of zero nominal growth, amounted to about \$40 million, or \$20 million per year. Assessments to UPU are based on contributory units volunteered by each member state in accordance with specific financial regulations. The U.S. share is 50 contributory units, which amounted to about \$1.2 million for 2001, or 5.69 percent of the budget. The dollar amounts depend on the exchange rate in effect on the date of payment. In addition, the U.S. Postal Service made extrabudgetary contributions to UPU in 2001 of \$344,730, including the salary of a postal security consultant seconded to the UPU staff. There are no U.S. arrears to UPU. The UPU staff operating under the regular budget comprises 60 professionals subject to geographic rotation. At the end of 2001, five (8.3 per-

cent) of these professionals were American citizens, including the Director-General and the number three position on the staff.

World Bank Group

The World Bank Group (the Bank) is composed of the International Bank for Reconstruction and Development (IBRD), established in 1945; International Development Association (IDA), established in 1960; International Finance Corporation (IFC), established in 1956; and the Multilateral Investment Guarantee Agency (MIGA), established in 1988. From their creation through June 30, 2001, the IBRD and IDA have provided more than \$487 billion in loans, either at near-commercial terms (IBRD) or at concessional terms (IDA), for development projects and to support economic reform in developing countries.

During the Bank's 2001 fiscal year (ending June 30), 183 nations were IBRD members, 162 were members of the IDA, 175 were members of the IFC, and 154 were members of MIGA. The United States remains the Bank's largest shareholder, with 16 percent of shares in the IBRD, 14 percent in IDA, 24 percent in the IFC, and 14 percent in MIGA.

Cooperation between the Bank and the United Nations has been in place since the founding of the two organizations and focuses on economic and social areas of mutual concern, such as reducing poverty, promoting sustainable development, and investing in people. James Wolfensohn, president of the World Bank since 1996, has emphasized improved cooperation as part of broad reform programs at the Bank and the United Nations. He participated in high-level UN meetings during 2001. The Bank has links with the UN at the policy-making level in the work of the General Assembly and its committees, and the Economic and Social Council (ECOSOC). The Bank actively participates in virtually all of the UN global conferences and played a major role in preparations for the March 2002 International Conference on Financing for Development in Monterrey, Mexico. The World Bank recently participated in the annual high-level meeting between ECOSOC and the Bretton Woods Institutions to discuss the implementation of the Monterrey Consensus and the specific roles of relevant institutional stakeholders in the follow-up process.

At the executive level, the Bank President and the Secretary-General (and heads of UN programs, specialized agencies, and commissions) engage in an ongoing dialogue on many issues, including population, poverty reduction, institutional capacity building, humanitarian assistance, crisis and post-conflict interventions, human rights, HIV/AIDS, education, gender issues, governance and civil society, environment, and financing for development. The two organizations have been working together to improve cooperation at the country level through better policy coordination, project implementation, co-financing, and aid coordination. The

Bank's proposed establishment of a Global Trust Fund for grant technical assistance has led to closer collaboration with UN Development Program to define the respective, complementary roles of the Bank and the UN in development.

The Bank is one of seven cosponsors of the Joint United Nations Program on AIDS, contributing over \$800 million so far in the fight against HIV/AIDS. In 2001, the Bank helped prepare the General Assembly Special Session on HIV/AIDS. The Bank's partnership with the World Food Program links their food-for-work community infrastructure programs to Bank follow-up investments. The Bank has a memorandum of understanding with the UN High Commissioner for Refugees covering operations in post-conflict areas. In addition, there is Bank-WHO (World Health Organization) cooperation on WHO's "Roll Back Malaria" Campaign and the "Stop Tuberculosis" Initiative. The Bank is a major financier for the UN Special Initiative for Africa, and cooperates with the FAO on a food security program in Africa. At the operational level, hundreds of projects are jointly financed and/or implemented by the Bank and UN agencies in agriculture, industry, health, and education.

In late 2001, the Bank set out to establish a mechanism for the international coordination of technical assistance for anti-money laundering and countering the financing of terrorism (AML/CFT) in collaboration with the United Nations and other providers of technical assistance for AML/CFT. The Bank also worked closely with the United Nations and other relevant organizations to report on progress towards internationally agreed development goals contained in the UN Millennium Declaration.

World Health Organization (WHO) and International Health Issues

During 2001, the most important international health-related event was the June UN General Assembly Special Session on HIV/AIDS. Secretary of State Colin Powell and Secretary of Health and Human Services (HHS) Tommy Thompson represented the United States at this important gathering. This session followed the launching by President Bush, together with Secretary-General Annan and Nigerian President Obasanjo in the White House Rose Garden in May 2001, of the initiative for a Global Fund to Combat HIV/AIDS, Tuberculosis, and Malaria. Also during 2001, U.S. representatives participated in meetings of the World Health Assembly, the WHO Executive Board, WHO regional committees for the Americas, the Western Pacific, Africa, and Europe, and the Governing Council of the International Agency for Research on Cancer. U.S. officials also participated in meetings of the management committees of WHO's major voluntarily funded programs, the Intergovernmental Negotiation

Body on a Framework Convention on Tobacco Control, and the governing body of the Joint UN Program on HIV/AIDS (UNAIDS).

World Health Organization (WHO)

The World Health Organization (WHO), based in Geneva, was established in 1948 with the objective of “the attainment by all peoples of the highest possible level of health.” After 53 years of activity, WHO was working in 2001 in close partnership with 191 member states and 2 associate members at the country level, many intergovernmental agencies, more than 180 nongovernmental organizations, and nearly 1,200 leading health-related institutions around the world designated as “WHO collaborating centers.”

Dr. Gro Harlem Brundtland, former Prime Minister of Norway, continued her leadership of WHO, having been elected to a five-year term as Director-General in 1998. U.S. officials continued to support new strategic directions outlined by Dr. Brundtland. Her approach follows on WHO’s refocusing its organizational structure along the lines of nine “clusters” of activity and development of a more “results-based” and unitary WHO budget. In general, WHO member states and outside observers, including visiting U.S. Congressional delegations, praised Dr. Brundtland for innovative approaches and partnerships in tackling specific health issues during the course of 2001.

The World Health Assembly in May gave extended attention to HIV/AIDS and the WHO Medicines Strategy. The United States was closely involved in reaching consensus with Brazil, the European Union, and others, so that the resolutions reflected the necessary balanced and comprehensive approach for the health-sector response to HIV/AIDS, and contained acceptable references to international trade agreements and human rights. The Assembly reviewed WHO activities to significantly accelerate work on HIV/AIDS, including development of a global health-sector strategy as part of the UN system’s strategic plan on HIV/AIDS for 2001–2005.

The Assembly held a ministerial-level roundtable on mental health attended by Health and Human Services Secretary Thompson, reflecting the emphasis accorded to the issue in 2001. With strong U.S. support, food safety was identified as a priority public health issue for WHO. This move was expected to revitalize WHO efforts and leadership on food safety issues, including in cooperation with the FAO, although WHO has not identified resources for any expanded effort.

The United States also noted the importance of WHO’s emerging work on global health security, which focused on the need for global containment of antimicrobial drug resistance, and collaboration on epidemic alert and response. Substantive resolutions were adopted on infant and young

child nutrition, schistosomiasis, nursing and midwifery, and international classification of diseases, among others. The United States worked with WHO in 2001 in support of the process underway to revise the International Health Regulations, stressing the need for any eventual revisions to carefully balance providing the maximum protection against the spread of diseases with minimum interference with world trade.

In an almost unprecedented step, Secretary Thompson, U.S. Representative to the WHO George Moose, U.S. Ambassador to the World Trade Organization (WTO) Rita Hayes, and U.S. Trade Representative Robert Zoellick, held a meeting with the Director-General to stress the need for WHO to consult with the WTO on any published guidance, interpretations of, or other materials on international trade agreements.

As in previous years since 1997, the 2001 Assembly took no action on a proposal to insert on the agenda an item for discussion of observer status for Taiwan. The proposal was put forward by several countries having diplomatic relations with Taiwan. Although there is no provision in the WHO Constitution or the Assembly's Rules of Procedure regarding the conferring of observer status, it is understood that observers can only be admitted if a majority of the members present and voting approves the proposal. However, the Assembly overwhelmingly defeated an initiative to place an item on that topic on the agenda in a vote in 1997. The Assembly's General Committee debated the issue in 2001, with speeches by those in favor of and those against adding an agenda item on the subject of observer status to Taiwan, and ultimately recommended against inclusion of this new agenda item. In the Assembly plenary, under a previously agreed scenario aimed at avoiding another one-sided vote, there were several speakers on each side of the issue, after which the Assembly president said it appeared the plenary had agreed with the recommendation that there be no new agenda item. There was no vote.

Although the United States did not support observer status for Taiwan, U.S. officials worked with Taiwan, WHO officials, and others over the course of the year to seek appropriate ways for Taiwan's voice to be heard and to participate in the work of WHO, in recognition that Taiwan should be able to contribute to, as well as benefit from, the work of WHO. U.S. efforts to increase Taiwan's practical participation in the Organization resulted in the use of experts from Taiwan on a WHO panel and in a WHO publication.

The Assembly took up the long-standing agenda item on "Health conditions of, and assistance to, the Arab population in the occupied Arab territories, including Palestine." A number of Arab states introduced a resolution highly critical of Israel. The European Union countries cosponsored the resolution after certain politically-oriented references were removed. The United States called for a vote on the resolution in the com-

mittee of the whole because of its remaining political elements, but the resolution was adopted by a vote of 93 in favor, 3 opposed (Israel, Palau, U.S.), with 11 abstaining. The U.S. delegation said that concern for the health of the Palestinian people should be the sole focus of the resolution, but the text complicated the atmosphere for peace by delving into political issues beyond the Assembly's mandate. The United States also noted that it had provided more than \$70 million to the Palestinians for child survival and maternal health programs, including \$11 million in 2001. There was no call for a repeat vote in the plenary, but Israel stated its regret about such resolutions, saying they did not assist the peace process or the work of WHO.

Negotiations continued during 2001 on completion of a Framework Convention on Tobacco Control (FCTC) by the year 2003. The U.S. delegation was active at sessions in March and October of 2001 of the Intergovernmental Negotiating Body, but little progress was made toward the Framework Convention and related protocols. Despite efforts by the U.S. delegation to spur movement in the FCTC talks, the process did not advance significantly in the course of 2001 because of debate over smoking issues, and some members doubted that the Convention would be finished by the original deadline of May 2003.

On financial matters, in 2001 the World Health Assembly adopted a zero nominal growth regular budget for 2002–2003. There was a direct linkage between the budget level and the assessments schedule adopted and, following a contentious committee debate and the personal intervention of the Director-General, the Assembly also adopted a new schedule of assessments that lowered the U.S. assessment from 25 percent to 22 percent of the regular assessed budget starting in 2002. The Assembly approved the total WHO budget at a level of \$2.24 billion for 2002–2003. This amount included the \$842.7 million approved for the regular assessed budget, \$13 million in funding from miscellaneous income, and the remaining \$1.38 billion in anticipated extra-budgetary funding. This was an overall increase of 15 percent over the 2000–2001 biennium. In 2001, the United States provided \$108.1 million to the WHO regular assessed budget, and approximately \$61.3 million in extra-budgetary resources from the U.S. Agency for International Development (USAID), HHS, and the State Department.

U.S. fiscal initiatives within WHO in 2001 included working with WHO on steps that would permit U.S. certification of the reform “benchmarks” required in U.S. legislation and thereby allow payment of U.S. arrears in WHO and other agencies. At year's end, according to WHO records, the United States owed \$33.4 million in arrears from prior years. U.S. representatives gave special emphasis to the benchmarks related to the scale of assessments, internal oversight, and evaluation.

Within the WHO staff, there were more American citizens in professional posts than citizens of any other country. However, U.S. citizens are still slightly underrepresented at WHO. At year's end, Americans held the senior posts of executive director of the communicable diseases cluster, legal counsel, director of internal audit and oversight, and director of the division of personnel. In 2001, WHO had 1,186 professional posts subject to geographic distribution; of those, U.S. citizens held 156 posts, or 13.2 percent. The total WHO staff on fixed-term or career service appointments was 3,608. In addition, there were 4,746 staff on short-term contracts.

UN General Assembly Special Session On HIV/AIDS

The 26th UN General Assembly Special Session on HIV/AIDS, held in New York on June 25–27, 2001, boosted the political commitment to the global fight against HIV/AIDS. Secretary of State Powell and Secretary of Health and Human Services Thompson led the U.S. delegation, accompanied by top officials and several members of Congress. The Declaration of Commitment approved by the session called for reductions in HIV prevalence by 25 percent among young men and women by 2005. The Declaration also asked all nations to ensure that by 2003 they have national strategies and financing plans in place for addressing gender and age-based dimensions of the epidemic. Governments committed to implement national strategies to confront stigma, silence, and denial; eliminate discrimination; partner with civil society to reach those living with HIV/AIDS and the most vulnerable; provide national budget resources and engage in international cooperation; address risk, prevention, care, treatment, and support; and strengthen health, education, and legal system capacity on HIV/AIDS. The United States played a prominent role in forging compromises on the Declaration and emerged in a strong leadership position on AIDS. Specific follow-up on the Declaration was to take place at the General Assembly starting in fall 2002.

In concert with President Bush's leadership, UN Secretary-General Kofi Annan provided key leadership, support, and guidance in the development of the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria, both at the Special Session and during the course of 2001. The Secretary-General called for a sharp increase in resources for HIV/AIDS programs with resources to come from local governments, bilateral programs, private-sector entities, and the range of international programs, including the Global Fund. Through an interagency group led by the Departments of State and Health and Human Services, the United States was active in negotiations in the second half of 2001 on establishing the Global Fund as an independent (non-UN) entity.

UN General Assembly Initiative on Human Cloning

In December 2001, at the initiative of France and Germany, the General Assembly adopted a resolution calling for consideration of the elaboration of a mandate for the negotiation of an international convention banning human reproductive cloning. Resolution 56/93 laid out a timetable for the initiative, with two *ad hoc* committee meetings in 2002 leading to a General Assembly decision in fall 2002 regarding the advisability of a convention. The United States joined consensus on the initiative, while expressing substantial skepticism about the wisdom of a convention calling for only a limited ban.

Pan American Health Organization (PAHO)

The Directing Council of the Pan American Health Organization (PAHO) convened at its headquarters in Washington, D.C., on September 24–28, 2001. Representatives of all 38 PAHO member states participated, mostly at the ministerial level. U.S. officials, including Secretary Thompson, were active in that meeting as well as in meetings of the PAHO Executive Committee in June and the Subcommittee on Planning and Programming in March. PAHO is directed by Dr. George Alleyne (Barbados), elected in 1994. Dr. Alleyne's second and final term of office is to conclude at the beginning of 2003.

The Council expressed solidarity with the United States over the terrorist acts in September 2001, and adopted a resolution condemning the attacks and commending the relief and health workers. In his welcoming statement, Secretary Thompson noted the gratitude of the United States for the support, and emphasized the Americas region as the U.S. "neighborhood" and the common interests in the health and well being of all its citizens. The Council discussed and adopted resolutions on pressing health issues, including HIV/AIDS, tobacco control, water and sanitation, and vaccines and immunization, and adopted a budget for 2002–2003.

The Council reviewed the status of the HIV/AIDS epidemic in the region and the strides being made in prevention and control. Despite significant program advances, HIV/AIDS remained a growing threat that required sustainable joint prevention, treatment, and care efforts. The Council ultimately adopted, with U.S. support, a resolution on the subject. This followed the outcome of a working group formed to consider proposals, mainly from Brazil. The United States was successful in modifying proposed language and, thereby, forging consensus on issues such as prevention methods, the importance of intellectual property rights, and leadership and commitment in the region to HIV/AIDS control.

The Council adopted a PAHO regular quota budget of \$186.8 million for 2002–2003, an increase of 5.5 percent over the budget for 2000–2001. PAHO sought the increase (including a 4.5 percent increase in member

state assessments and a projected 1 percent increase in miscellaneous income) to offset the decreased funding for 2002–2003 provided directly from WHO headquarters, and to make adjustments for cost increases, including mandatory UN salary increases. The United States opposed the proposed 5.5 percent increase and argued instead for a zero nominal growth budget. Given the broad support for the proposed budget by member states, all of whom have an equal vote with the United States, and notwithstanding the fact that the United States pays over half the PAHO budget, the United States could not block consensus.

The United States pays 59.44 percent of the PAHO budget, the basis of the scale being that of the Organization of American States, with adjustments for membership. The U.S. assessment for each year of the biennium is \$55.9 million. In 2001, PAHO had a total staff of 919, of which 446 were professional posts; of those, 80 were U.S. citizens, (18 percent).

International Agency for Research on Cancer (IARC)

The International Agency for Research on Cancer (IARC) is a small but effective subsidiary of WHO that focuses on collaborative research on cancer causes and epidemiology. Its Governing Council met at IARC headquarters in Lyon, France, on May 10–11, 2001. Officials from the Department of State and the U.S. National Cancer Institute attended the meeting. The Council discussed IARC's program of work in cancer prevention and its various collaborative research efforts. Cervical cancer and tobacco-related cancers were highlighted, as well as the critical role that IARC plays in conducting epidemiological studies. Dr. Paul Kleihues (Germany), is serving his second five-year term which is to expire at the end of 2003.

The Governing Council approved a new IARC budget of \$35.8 million for 2002–2003. This was a slight decrease of 1.4 percent from the budget established for 2000–2001. The withdrawal of Argentina and Brazil at the end of 2000 reduced IARC membership to 15 countries, therefore U.S. assessments increased marginally and were set for \$1.6 million in 2002 and \$1.7 million in 2003, compared to \$1.67 million in 2000. The U.S. assessment rate is 9.88 percent. IARC has a total staff of 131, of which there are 47 professional posts; of those, 4 are held by U.S. citizens (8.5 percent).

Joint UN Program on HIV/AIDS (UNAIDS)

The Joint UN Program on HIV/AIDS (UNAIDS) began formal operations on January 1, 1996. With cosponsorship from WHO, the UN Development Program, the UN Drug Control Program, the UN Children's Fund, the UN Population Fund, the UN Educational, Scientific, and Cultural Organization, and the World Bank, the program brings a multi-sectoral approach to dealing with HIV/AIDS and, as such, has brought increased

UN and international attention and resources to the issue. During 2001, the International Labor Organization became the eighth UNAIDS cosponsor. UNAIDS also signed cooperation agreements with the Food and Agriculture Organization and the UN High Commissioner for Refugees. UNAIDS works in countries dealing with the HIV/AIDS epidemic, primarily through its country-coordination theme groups that seek to mobilize all sectors to address AIDS. While some country-level theme groups were deemed successful, others got mixed reviews, with outcomes determined in part by team composition and levels of inter-agency coordination and cooperation.

The UNAIDS Program Coordinating Board (PCB) has 22 member states, as well as the 8 UNAIDS cosponsors, and 5 nongovernmental organizations. Member states are elected by the Economic and Social Council from among its members according to a regional distribution scheme; the United States served on the Board in 2001. Dr. Peter Piot (Belgium), Executive Director of UNAIDS, is considered by the United States to be an effective advocate with governments on HIV/AIDS. Dr. Piot told the PCB that by the end of 2001, close to 40 million people would be infected with HIV/AIDS. AIDS had become the fourth leading cause of death in the world as a whole, according to UNAIDS.

The PCB met May 30–June 1, 2001, just prior to the UN General Assembly Special Session on HIV/AIDS in New York, for which UNAIDS provided the Secretariat support. Sharing Dr. Piot's concerns, the Board stressed the importance of intensifying the international response to HIV/AIDS, including more resource mobilization efforts, and the need for integrating HIV/AIDS into development mechanisms. The PCB also made recommendations on the need to balance HIV/AIDS prevention and care, and endorsed a new UN System Strategic Plan on HIV/AIDS for 2001–2005. The Board reviewed progress on a five-year evaluation of UNAIDS, undertaken to examine whether it had met expectations since 1996 for increasing attention to all issues associated with the spread of HIV and strengthening interagency collaboration in response to the challenge.

The UNAIDS budget for 2000–2001 was \$140 million. The United States is the major donor to UNAIDS, providing about 26 percent of its annual voluntary budget, primarily through the U.S. Agency for International Development. In 2001, UNAIDS had a total staff of 179, of which 126 were professionals; of those, 11 posts were held by U.S. citizens (8.7 percent).

World Intellectual Property Organization (WIPO)

The World Intellectual Property Organization (WIPO) promotes the protection of intellectual property rights through cooperation among its member states. It administers various treaties that deal with the legal and administrative aspects of intellectual property. Intellectual property comprises two main branches: industrial property and copyright. WIPO is headquartered in Geneva, Switzerland, and operates offices in all major geographic regions including one in Washington, D.C. There are 178 members of the WIPO Convention. WIPO administers 18 international multilateral “unions” (treaty administering organs). The two principal treaties are the Paris and Berne Conventions (162 and 148 members respectively).

WIPO is currently headed by Director-General Kamil Idris (Sudan). By the end of 2001, a majority of regional groups had declared their support for the re-election of Idris for a second six-year term beginning in 2003, even though the formal nomination process was more than a year away. Group B (developed nations, chaired by the United States) agreed not to take any early position. The 1998 amendment of the WIPO Convention, which limits Directors-General to two consecutive terms for a total of 12 years, had not come into force, since it had been ratified by fewer than 40 member states. More than 100 ratifications are required to bring it into force. The United States has not yet ratified the amendment.

The General Assemblies of WIPO unions were held in Geneva, September 24–October 3, 2001. The United States is a member of most of the WIPO unions. The Assembly of the WIPO Convention continued the previous Assembly’s consolidation and reform work. The United States joined consensus on a number of recommendations to increase WIPO’s efficiency. The Working Group on Constitutional Reform (WGCR), a body created by the 1999 General Assembly, reported progress in all areas except proposals to reduce membership in the executive body Coordination Committee and to govern all WIPO unions via a Unitary Assembly. The WGCR’s mandate was renewed for another year with instructions to report to the 2002 Assembly. The Federal Republic of Yugoslavia was readmitted to membership. Delegates voted to reduce fees for international patent registrations under the Patent Cooperation Treaty by 6.1 percent on average.

At its March and June 2001 sessions, the WGCR suggested ways to simplify and unify the structure of the various treaty governing bodies established over the past century and more. The first administrative measures effectively eliminated 5 governing bodies, reducing the total number from 21 to 16. At the March WGCR session, delegates considered mea-

asures to formalize an *ad hoc* unitary contribution system and contribution classes, to further consolidate the various assemblies, and examine the role and composition of the Coordination Committee, WIPO's 79-member executive body. In response to an April decision of the 30-member Program and Budget Committee, the WIPO secretariat consolidated all budgets for the 2002–2003 biennium, subsequently approved by the General Assemblies. An Intergovernmental Committee is examining proposals by the United States and others to streamline the procedures of the 30-year-old Patent Cooperation Treaty.

WIPO's financial and budgetary issues are overseen by the Program and Budget Committee, of which the United States is a member. In recent years, WIPO has consistently run a revenue surplus from patent and trademark filing fees. The United States maintains that WIPO must lower filing fees to make them more affordable, and to avoid accumulating unnecessary levels of cash reserves.

Fees for services generate approximately 90 percent of WIPO's budget. The 2001 Assembly approved a new WIPO budget that keeps member state assessments at existing levels. The portion of the budget funded by revenues from patent fees increased by 19 percent, primarily due to projected increases in filing volumes. As noted above, member states required the Secretariat to consolidate all budgets for the 2002–2003 biennium to provide clearer tracking of financial flows. The U.S. share of the assessed WIPO budget is approximately 6 percent, or \$1.01 million. Approximately 34 percent of WIPO's total revenue comes from filing fees paid by U.S. citizens and companies, making the United States and its citizens the most important national source of financial support for WIPO. The U.S. contribution to WIPO is less than one percent of WIPO's total revenues (fees plus assessments).

The 2001 WIPO Program and Budget Committee studied architectural plans and estimates for a proposed new WIPO office building and office center. Committee members, including the United States, expressed surprise and concern that a project for which the WIPO General Assembly authorized approximately \$50 million in 1998 was presented with a cost estimate of almost \$120 million—the year after the General Assembly had found it necessary to double its allocation for the renovation of another building project to approximately \$36 million. The Committee recommended that the General Assembly commission a full technical evaluation of the project, with particular attention to WIPO's management of the project and to the case for the proposed facilities. The Swiss Federal Audit Office, WIPO's external auditor, accepted this commission from the General Assembly and scheduled a report of its findings to the WIPO Program and Budget Committee for mid-2002.

Of 292 WIPO posts subject to geographic distribution, Americans occupied 20 of those (one higher than targeted American hiring of 19 posts), or 6.8 percent of the total, in 2001.

World Meteorological Organization (WMO)

The World Meteorological Organization (WMO) facilitates international cooperation in the establishment of networks of stations for making meteorological, hydrological, and other related observations. It promotes rapid exchange of meteorological information, standardization of meteorological observations, and uniform publication of observations and statistics. It furthers the application of meteorology to aviation, shipping, water problems, and agriculture. It promotes operational hydrology and climate studies, and encourages research and training in various meteorological sciences.

The WMO membership now includes 179 states and six member territories, all of which maintain their own meteorological services. WMO regional groups meet every four years to coordinate operational meteorological and hydrological activities within their region, and to examine questions referred to them by the Executive Council (EC). The WMO Secretariat, headed by Secretary-General G.O.P. Obasi (Nigeria), serves as the administrative, documentation, and information center for the organization. Obasi's current term expires at the end of 2003.

The World Meteorological Congress (Cg), which is the supreme body of the WMO, meets every four years. It determines policies, approves the program and budget, and adopts regulations. The next WMO Congress will meet in Geneva in May 2003.

The WMO's EC is composed of 36 members, including a President and three Vice-Presidents. The EC members, including the Director of the U.S. National Weather Service, are the heads of their national meteorological services. The EC meets annually to prepare studies and recommendations for the WMO Cg, to supervise the implementation of Cg resolutions and regulations, to approve implementation of the biennial budget, and to advise members on technical matters. The EC met June 5-15, 2001 in Geneva, Switzerland. The U.S. delegation included a private sector member.

The WMO's scientific and technical programs cover the World Weather Watch, climate, atmospheric research, environment, meteorological applications, Hydrology and Water Resources, Education and Training, Technical Cooperation, and regional programs. The most important program for the United States is the World Weather Watch, which offers up-to-the-minute worldwide weather information through member-operated observation systems and telecommunication links. These systems include four polar-orbiting satellites and five geostationary satellites,

about 10,000 land-based observation sites, approximately 7,000 ship stations, and 300 moored and drifting buoys carrying automatic weather stations.

The WMO has eight technical commissions: 1) aeronautical meteorology, 2) agricultural meteorology, 3) atmospheric sciences, 4) basic systems, 5) climate, 6) hydrology, 7) instruments and methods of observation, and 8) oceanography and marine meteorology. The latter is a joint commission with the UN Educational, Scientific, and Cultural Organization Intergovernmental Oceanographic Commission. The commissions meet quadrennially, and in one case (basic systems) biennially.

The First Consultative Meeting on High-level Policy on Satellite Matters was held in Geneva, January 22–23, 2001. This meeting opened a dialogue between the satellite operators and users, which the United States supported. It highlighted the need for continued and regular support from the R&D satellite community. Participants agreed on guidelines to enhance users' confidence in the availability of operational and R&D observational data.

The WMO Financial Advisory Committee, chaired by the WMO President, is made up of eight selected member countries (usually the largest contributors, including the United States) and the presidents of the six WMO regional associations. It met June 4, 2001, and advised the EC that: the budget level should be based on zero nominal growth—equivalent to \$147.4 million for the quadrennium 2002–2007; the budget should be presented using results-based budgeting as a baseline; and the budget should contain information required for strategic decision making such as objectives, expected results, performance indicators, and project activities with deliverable outputs and resource requirements. This language was consistent with U.S. objectives. The EC in turn advised the Secretary-General to prepare the program and budget proposals for 2004–2007 on the basis of zero nominal growth, with options for some increase between the levels of zero nominal growth and zero real growth.

The WMO does not prepare annual budgets, but its spending in 2001 was roughly one-quarter of the 2000–2003 quadrennial budget of \$147 million, i.e. \$37 million. The U.S. assessment is 21.54 percent, making the annual U.S. assessment about \$8 million. The United States also contributed \$2 million in fiscal year 2001 to WMO's Voluntary Cooperation Program. The Geneva-based Secretariat had 267 employees at the end of 2001. There were 9 American employees out of the 113 professional-level staff subject to geographical distribution, equal to approximately 8 percent.

