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# UNITED NATIONS

## U.S. Participation in Five Affiliated International Organizations



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**National Security and  
International Affairs Division**

B-270713

February 27, 1997

The Honorable Jesse Helms  
Chairman, Committee on Foreign Relations  
United States Senate

Dear Mr. Chairman:

As you requested, this report provides information on the progress and status of management, administrative, and program reforms in five organizations affiliated with the U.N. system. These organizations are the World Health Organization (WHO), Pan American Health Organization (PAHO), International Labor Organization (ILO), U.N. Conference on Trade and Development (UNCTAD), and U.N. Population Fund (UNFPA). Because many of the reform initiatives to improve the efficiency and effectiveness of the organizations have been only adopted recently, we did not assess the reforms' implementation or evaluate their effectiveness.

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**Background**

The United States has been associated with WHO, PAHO, ILO, UNCTAD, and UNFPA since their founding. In 1995, the United States paid about \$295 million in regular budget and extrabudgetary contributions to the five organizations.<sup>1</sup> In recent years, budgetary constraints and competing domestic priorities have led the Congress to question the value and relevancy of U.S. participation in these organizations. Although it acknowledged that the organizations are not operating as efficiently and effectively as they should be, the State Department believes that continued membership in the five organizations we studied is important to the United States because their activities contribute in varied and cost-effective ways to the U.S. security, prosperity, safety, and health.

A number of studies, proposals, and recommendations for change have been suggested by member states and other experts, including the U.N. Office of Internal Oversight Services, the Joint Inspection Unit, the External Auditors, the Geneva Group, the Group of 77, the Group of 7, and

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<sup>1</sup>In addition to the organizations' regular budgets, they receive extrabudgetary contributions from various donor countries and institutions for specific programs.

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nongovernmental organizations.<sup>2</sup> The U.S. Mission to the United Nations and the State Department have advanced a reform agenda to improve the efficiency and effectiveness of each organization. After being urged by the Congress to prioritize funding requirements for international organizations to which the United States contributes, the State Department announced in May 1996 key criteria that it would use in continuing to review and evaluate U.S. membership in various international organizations.<sup>3</sup>

Table 1 provides an overview of the five organizations we studied. Appendixes I through V provide additional information about U.S. participation in these organizations.

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<sup>2</sup>Each of the five U.N. agencies we studied has an External Auditor that is responsible for conducting audits of the finances of the organization and reporting to the governing bodies. The External Auditors are selected from among member states' Supreme Audit Institutions and are members of the U.N. Panel of External Auditors. The Geneva Group was formed in 1964 to influence budgetary control and management improvement in the U.N. specialized agencies. The group consists of 14 major contributor nations, including the United States. The Group of 77 was established in 1985 to promote economic cooperation among developing countries. The group consists of over 100 developing countries and the Palestine Liberation Organization. The Group of 7 was created in 1985 to facilitate economic cooperation among the seven major non-Communist economic powers, including the United States.

<sup>3</sup>During testimony on the administration's fiscal year 1997 budget request before the Subcommittee on Commerce, State, Justice, and Judiciary, House Committee on Appropriations, the U.S. Permanent Representative to the United Nations said these criteria are (1) the level of direct political or economic benefits to the United States through consultation with U.S. stakeholders, (2) the percentage of the budget devoted to activities that benefit the United States, (3) the scope and depth of the U.S. constituency, (4) the relevancy of the organization's mandate to contemporary global issues, (5) program effectiveness and quality of management, (6) budgetary restraint and transparency, and (7) responsiveness to overall reform efforts.

**Table 1: Overview of Selected International Organizations**

<b>Name, location, and date created</b>	<b>Purpose</b>	<b>Membership and funding source<sup>a</sup></b>	<b>1996-97 Regular budget and U.S. assessment<sup>b</sup></b>	<b>Unique characteristics</b>
WHO, Geneva (1948)	Obtain the highest possible level of health for people worldwide.	190 member states and 2 associate members; funded by assessments and voluntary contributions.	\$842.6 million (budget) and \$214.8 million (assessment)	Specialized agency that provides technical cooperation and international standard setting; six regional offices manage most country technical cooperation.
PAHO, Washington, D.C. (1902)	Promote and coordinate efforts to combat disease, lengthen life, and promote physical and mental health.	35 member states, 3 participating governments, 1 associate member, and 2 observers; funded by assessments and voluntary contributions.	\$168.6 million (budget) and \$99.4 million (assessment)	Inter-American agency that serves as WHO's regional office for North, South, and Central Americas, and the Caribbean and specialized agency of the Organization of American States. Provides leadership on regional and hemispheric health issues, technical cooperation, and related support to member countries.
ILO Geneva (1919)	Promote social justice for working people worldwide.	174 member states; funded by assessments and voluntary contributions.	\$579.5 million (budget) and \$144.9 million (assessment)	Specialized agency composed of a tripartite structure with delegates from each government, employer groups, and worker groups.
UNCTAD, Geneva (1964)	Integrate developing countries into the international trading system and promote development through trade and investment.	188 member states (members of the United Nations are members of UNCTAD); funded by the regular U.N. budget.	\$124.1 million (budget) <sup>c</sup>	Permanent component of the U.N. General Assembly and a part of the U.N. Secretariat.
UNFPA, New York (1969)	Provide access to reproductive health services, including family planning information and services.	85 donor nations; funded by voluntary contributions.	\$642.4 million (budget) and \$35 million (voluntary contribution) <sup>d</sup>	Subsidiary component of the U.N. General Assembly; specialized voluntary fund.

<sup>a</sup>The United Nations has 185 member states. However, some organizations, such as WHO and UNCTAD, have additional members that are not members of the United Nations.

<sup>b</sup>These amounts represent the regular budgets of the five organizations and the amount of the U.S. assessment (or voluntary contributions in the case of UNFPA). However, most of the organizations also receive extrabudgetary support, which substantially may increase their total budgets. This information is included in appendixes I through V.

<sup>c</sup>As part of the U.N. Secretariat, UNCTAD's budget is allocated from the U.N. budget. The United States pays 25 percent of the total U.N. budget and does not pay a separate assessment for UNCTAD.

<sup>d</sup>This number represents U.S. voluntary contributions.

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## Results in Brief

Policies and agendas adopted by WHO, PAHO, ILO, UNCTAD, and UNFPA coincide with U.S. foreign policy objectives, which include promoting prosperity, sustainable development, and peace; building democracy; providing humanitarian assistance; and advancing diplomacy. Assessments by U.S. officials and other experts conclude that programs and activities of the five organizations provide significant benefits by, among other things, setting international standards for living and working conditions; improving global health; and collecting, analyzing, and disseminating global information on trade, health, population, and employment. The programs and activities also provide opportunities for joint scientific research among the technical experts of participating countries in combating deadly diseases, such as Acquired Immune Deficiency Syndrome (AIDS) and the Ebola virus.

U.S. officials asserted, and other experts agreed, that it would be difficult, if not impossible, for any federal agency or private institution to perform the mandates of the five organizations. These organizations are now generally considered politically neutral by most governments (including the United States) and provide the United States access to countries in which it would otherwise face legal, financial, or jurisdictional obstacles, such as Zaire during the Ebola outbreak of 1995. In addition, membership in these organizations allows the United States to work with other nations in sharing the burden of dealing with challenges that threaten domestic security, international stability, and human well-being around the world.

Declining resources available from donor countries, the increasing number of worldwide crises, and the demands for better collaboration between the donor organizations and the recipient countries have caused the five organizations to recognize the need for improved management and administration. Each has begun to address weaknesses in the management and administration of its operations and programs. These weaknesses, which include the lack of budget transparency and overlap and duplication of programs and activities, have been the subject of frequent criticism by the Congress, State Department, and other U.S. foreign policy analysts.

The organizations have responded slowly, but favorably, to the reform proposals. PAHO, ILO, and UNFPA, which the United States generally considers to be responsive to recommended management and administrative improvements, have initiated a number of reforms. These include reducing the length and frequency of meetings and implementing monitoring, evaluation, and reporting systems. ILO, for example, has reduced the length of its conference, focused more on priority policy

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issues, and tightened its rules of debate to prevent discussion of extraneous political issues.

In contrast, WHO and UNCTAD have been slower than the other three organizations in undertaking significant management and administrative improvements. Nonetheless, since 1993, WHO has undertaken several reforms, including establishing five priority areas for allocating scarce program resources and strengthening internal audit functions. Although the United States believes that strengthening the internal audit function is imperative to efficient management, WHO still has not clearly defined the function's degree of independence or established specifically which internal audit reports would be provided to WHO's members. UNCTAD was even slower in initiating reforms, but provisions were adopted at its 1996 conference for streamlining institutional arrangements, focusing on a smaller number of priority issues, reducing the length and number of meetings, and enhancing transparency in UNCTAD's program and budget.

The United States and other member states are continuing to push for reforms in each of the five organizations we studied.

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## Organizations' Policies Coincide With U.S. Interests

The United States has a significant voice in the policies of the organizations because it is a leading contributor to and participant on the governing boards and major committees. Our analysis showed that recent policies adopted by the organizations coincided with U.S. foreign policy objectives. For example, ILO has adopted policies and programs that support the goals established by the President's Committee on ILO. These goals include preserving and strengthening worker rights, improving working conditions, and creating employment. ILO has seven core labor conventions that relate directly to its main purpose—to promote social justice and human rights.

UNFPA, which funds population programs in developing countries, has documented policies on abortion and human rights that are consistent with U.S. family planning objectives. U.S. policy supports access to family planning services to all those who need them, but opposes any coercive methods or abortion as a part of any population program. UNFPA also opposes abortion or coercive sterilization as methods of family planning. UNFPA's program strategy seeks to prevent abortion by increasing access to family planning services and reduce maternal deaths through better management of complications of unsafe abortions.

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Membership in WHO, PAHO, ILO, UNCTAD, and UNFPA permits the United States to pursue programs that protect its interests and increase its prosperity worldwide, a key U.S. foreign policy objective. Assessments by U.S. officials showed that the organizations' programs provide vital services that directly affect U.S. security, safety, and prosperity. For example, WHO sets food product and quality standards worldwide in collaboration with the Food and Agriculture Organization (FAO) through a trade standardization program. These standards, and the U.S. role in setting them, are important to the health and safety of U.S. consumers of products from other countries. WHO and PAHO conduct programs in collaboration with the Centers for Disease Control and Prevention and the U.S. military health authorities that protect the United States against the spread of infectious diseases from abroad. ILO works to eliminate the exploitation of child labor, an objective of U.S. policy. UNCTAD promotes open markets in developing countries, which helps U.S. exporters, businesses, and workers and thus contributes to the goal of enhancing prosperity in the United States.

A large number of U.S. companies, nongovernmental organizations, academia, and the general public benefit financially from the work on behalf of the five organizations. Procurement and contracting data supplied by the organizations showed that, in 1995, WHO awarded \$13 million in contracts to U.S. companies, PAHO \$18.3 million, ILO \$3.1 million, UNCTAD \$0.4 million, and UNFPA \$7.4 million. For example, in 1995, UNFPA purchased \$1.8 million in contraceptives from Wyeth International, a company based in Philadelphia.

The organizations also fund research contracts with many U.S. institutions through their various programs. For example, WHO program funding data showed that the Special Program for Research and Training in Tropical Diseases provided more than \$67 million in research funding to U.S. institutions from the time of its creation in 1978 to 1994. In addition, PAHO works with the U.S. academic community, the Centers for Disease Control and Prevention, the National Institutes of Health, the Department of Defense, the U.S. Agency for International Development (USAID), and U.S. nongovernmental organizations in the execution of its technical cooperation activities.

Moreover, the organizations promote jobs, investments, and other opportunities for U.S. citizens. For example, WHO's role in setting standards for biotechnology products, such as vaccines, allows U.S. companies to participate more effectively in the global market. Some of



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the vaccines purchased by WHO are being developed in the United States by the National Institutes of Health and the Wistar Institute and produced by U.S. pharmaceutical companies. Also, recent staffing data showed that the five organizations employed about 7,700 staff members, about 363, or about 5 percent, of whom are Americans.<sup>4</sup> U.S. citizens also hold senior positions in the organizations, including the Deputy Director General at ILO, the Assistant Director General for Communicable Diseases and the Legal Counsel at WHO, the Deputy Director and the Chief of Administration at PAHO, the Director for Global Interdependence at UNCTAD, and the Director for Information and External Relations at UNFPA.

Under the guidance of UNCTAD, the Global Trade Point Network facilitates trade transactions, bringing together the services of all potential agents involved in trade (e.g., customs, banks, insurance, and transporters). Within UNCTAD's Global Trade Point Network, Trade Point USA, a nonprofit trade information and services company operating out of Columbus, Ohio, is the oldest network Trade Point in the United States. The purpose of the network is to lower trade transaction costs and broaden participation in trade, particular for micro-, small-, and medium-sized enterprises. Trade Point USA currently provides on-line services through an Internet-based trade information and marketing service. Trade Point USA reports that the usage of its on-line information service has increased from 10,255 times in June 1995 to 305,325 times in June 1996.

The House of Delegates for the American Medical Association recently endorsed plans to collaborate with WHO in the expansion of the association's global activities. Moreover, UNFPA supports two publications of the Population Council, the Population and Development Review and Studies in Family Planning, which are used by hundreds of U.S. universities, libraries, and individuals.

Although most of ILO's benefits to the United States are indirect, Department of Labor officials stated that the organization's work on occupational health and safety is important for ensuring proper working conditions worldwide. Since 1989, ILO has taken a lead role in supporting international efforts to develop a harmonized system on the classification and labeling of chemicals. WHO also works closely with ILO and the U.N. Environment Program on the International Program on Chemical Safety. These organizations annually evaluate the risks posed by over 100 chemicals, and about 15 of these evaluations are published in the

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<sup>4</sup>The United States contributes about 25 percent of the regular budgets of WHO and ILO and about 60 percent for PAHO, where U.S. citizens comprise 16 percent of the total staff.

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Environmental Health Criteria series each year. WHO produces and distributes the "IPCS News," the newsletter of the International Program on Chemical Safety, on behalf of the sponsoring agencies. This information is vital to the United States, since it is a major importer and exporter of chemicals. In addition, ILO standards are used as criteria in various U.S. legislation, such as the Cuban Liberty and Democratic Solidarity Act of 1996 (sec. 205 (a) of P.L. 104-114) and the Foreign Operations, Export Financing, and Related Programs Appropriations Act for Fiscal Year 1995 (sec. 526 (e) of P.L. (103-306). For example, the fiscal year 1995 appropriations act requires that the Department of the Treasury, along with the U.S. Executive Directors of the International Financial Institutions, work to (1) establish a process within the institutions to evaluate borrowing countries' recognition of international worker rights and (2) include the status of such rights as an integral part of the financial institutions' policy dialogue with each borrowing country.

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## Organizations Enhance International Cooperation

The executive branch supports the five organizations because it believes they are unique and valuable instruments of multilateral cooperation. U.S. officials stated that participation in WHO, PAHO, ILO, UNCTAD, and UNFPA allows the United States to work collaboratively and more cost effectively with other nations to deal with global challenges, such as unsustainable population growth and emerging and reemerging diseases. Although many of these challenges start beyond U.S. borders, they are increasingly becoming problems within them and require more resources than are available from any single nation.

The capacity of the U.S. government to provide responses to global crises is increasingly limited. According to U.S. officials we interviewed, U.S. government agencies do not have the mandate, flexibility, or funds necessary to respond to the many international challenges that threaten U.S. interests. For example, declining resources forced the Army to abandon its antiviral research program, which was designed to conduct research and develop drugs to combat infectious diseases caused by viruses.

U.S. officials stated that most of the major threats to peace, prosperity, and health are problems that national governments are ill equipped to deal with on their own. Moreover, the five organizations enable the United States to address transnational problems not readily amenable to bilateral diplomacy. For example, in Central America, PAHO, with the support of the United States, used health initiatives to bridge the gaps between warring

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factions as a first step toward peace. In addition, at the request of the United Nations, the Organization of American States, and the United States, PAHO provided basic health services in Haiti and coordinated the importation and distribution of fuel to ensure the safe delivery of food and humanitarian supplies during the international embargo of the military government.

According to U.S. health experts, one of the major achievements of the polio eradication initiative by WHO and PAHO was its impact on the level of commitment by national governments in North, South, and Central Americas. Overall contributions by these national governments for immunizations programs in nine priority countries increased from 66.3 percent in 1990 to 92.5 percent in 1995. In addition, studies by U.S. officials and other experts showed that participation in WHO and PAHO have provided considerable savings of U.S. dollars and lives. According to the Task Force for Child Survival and Development based in Atlanta, for every U.S. dollar invested in vaccinations, approximately \$7 to \$20 is saved as a result of the prevention of disability, death, and medical costs otherwise associated with childhood diseases. For example, WHO, PAHO, and other international health experts report that the global smallpox vaccination initiative led by WHO has saved about \$20 billion (\$2 billion in the United States alone) since 1977 by eradicating smallpox worldwide. Experts anticipate similar savings to accrue to the United States and other countries once poliomyelitis has been eradicated worldwide, which is expected to occur within the next 5 to 10 years.

Moreover, the organizations have used the combined resources of the United States and other nations in responding to global crises, such as famine, natural disasters, and the displacement of people from their homes. For example, in late 1994, UNFPA began implementing projects to train Rwandan refugees in Burundi as outreach workers to provide reproductive health and family planning information and services to the residents of the refugee camps. Human Immunodeficiency Virus (HIV) prevention was stressed as part of the package of services. In 1994, in the aftermath of the civil war in Mozambique, ILO and the Mozambique National Employment and Vocational Training Institute commenced a project to provide more than 4,000 demobilized soldiers with the necessary skills and basic tools to find a job or become self-employed.

According to U.S. officials, international organizations are often in the best position to respond quickly to crisis situations. For example, WHO is often in the best position to recognize the early stages of infectious disease

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outbreaks through its interactions with the various networks of its member countries and collaborating centers. Also, WHO is often best suited to coordinate international health activities that often draw on experts knowledge from multiple countries, including the United States (e.g., Centers for Disease Control and Prevention, National Institutes of Health, and Food and Drug Administration). According to an interagency working group on emerging and reemerging infectious diseases, no U.S. agency has a clear mandate to respond to epidemics outside U.S. borders, and no executive structure exists either to oversee international disease surveillance or mobilize a response when an outbreak occurs.

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## End of Cold War Reduced Barriers to Cooperation

During the Cold War period, other nations, particularly the Soviet Union, often used international organizations, including some of those in this study, as forums for anti-American debate and propaganda that were irrelevant to the organizations' mission. For example, in 1977, the United States temporarily withdrew from ILO because of concerns about four trends: erosion of tripartite representation, selective concern for human rights, disregard of due process, and increasing politicization. Moreover, State Department and U.S. Trade Representative officials once characterized UNCTAD as being a forum of confrontation largely along the lines of the industrialized countries of the Northern Hemisphere versus the developing countries of the Southern Hemisphere.

The end of the Cold War ameliorated many of the differences that once influenced the agendas of the organizations. Representatives from both developed and developing nations that we interviewed acknowledged that the climate within the organizations has changed and that there is more support for U.S. values and ideals. For example, a U.S. delegation member noted that, although earlier conferences sometimes had an anti-American tone, the 1996 UNCTAD conference was almost completely devoid of the negative political rhetoric. Moreover, members of the 1996 conference were generally receptive to U.S. proposals.

U.S. officials shared similar comments about governing board meetings and conferences held at the other organizations. Moreover, former adversaries are becoming partners in diplomacy. For example, the United States and Russia have worked together to improve the functioning of WHO and ILO. In March 1996, the Russian Permanent Representative joined the United States and five European nations in letters to WHO and ILO Directors

General urging a inspector general-type oversight function within the WHO and ILO Secretariats.<sup>5</sup>

Although the climate has changed within the organizations, other member states occasionally succeed in using the organizations for advancing politically motivated agendas. For example, at the 1996 WHO World Health Assembly, Turkey used the assembly to criticize a resolution put forth by the Cyprus delegation that called on WHO to give assistance to refugees and displaced persons in Cyprus. The Turkish delegation argued that Cyprus' per capita income level of \$13,000 a year did not warrant WHO's assistance.

## Organizations Recognize the Need for Reform

Because of declining resources, the increasing number of worldwide crises, and growing concerns among donor governments about the need for improved management and value for money, the five organizations have recognized the need for management, administrative, and program reforms. The organizations have begun to address weaknesses in their management and operations. PAHO, ILO, and UNFPA, which the United States generally considers to be responsive to recommended management and administrative improvements, have initiated a number of reforms. In contrast, WHO and UNCTAD have been slower in undertaking significant management and administrative improvements.

In 1995, the United States developed a reform agenda that it encouraged the organizations to adopt. The agenda included recommendations aimed at making the organizations less wasteful, more productive and focused, and better able to meet future challenges. For example, the United States recommended that WHO develop a more transparent budget presentation format to improve member state oversight and enhance priority setting.

Also in 1995, the executive branch adopted a new budget policy for international organizations, which replaced its decade-old zero real growth budget policy. The goal of the new policy was to reduce many of the budgets of international organizations below current levels, particularly in large agencies. Exceptions, on a case-by-case basis, were to be made to maintain current budget levels or zero nominal growth. In rare cases, the

<sup>5</sup>The letters characterized the following attributes for an inspector general-type of oversight function: (1) broad internal oversight authority is vested in a single individual or unit with total operational independence; (2) the head of the unit reports to the head of the agency, but the unit head's appointment is subject to approval of the membership; (3) the executive head of the agency is required to transmit the internal oversight unit's annual report and other report to the membership unchanged; (4) procedures need to be followed to track compliance with recommendations for corrective action; and (5) a hotline system, with whistleblower protection, is in place to deter waste, fraud, and mismanagement.

United States would support very minor increases to provide for partial offsets of nondiscretionary cost increases and exchange rate movements. However, the United States does not have veto power and cannot block the approval of proposed budgets by the majority of other member states. According to State Department officials, under this new policy the organizations were expected to absorb most mandatory cost increases through reprogramming. Table 2 shows proposed and approved budgets of the five organizations—WHO, PAHO, ILO, and UNCTAD—and the U.S. position on these budgets. UNFPA's budget presentation is divided into two parts, a multiyear workplan and a biannual program support budget. Therefore, UNFPA's budget process is not comparable to the other organizations.

**Table 2: U.S. Position on the 1996-97 Proposed and Approved Budgets**

Dollars in millions				
Organization	Approved budget 1994-95	Proposed budget 1996-97	Approved budget 1996-97	U.S. vote
WHO	\$822.1	\$955.6	\$842.6	<sup>a</sup>
PAHO	\$164.5	\$174.2	\$168.7	No
ILO	\$466.5	\$579.5	\$579.5	No
UNCTAD	\$113.6	\$124.1	\$124.1	<sup>b</sup>

<sup>a</sup>The WHO budget is adopted by consensus. According to the State Department, the United States "disassociated" itself from the consensus.

<sup>b</sup>UNCTAD's budget is approved by the U.N. General Assembly as part of the U.N. budget. The United States joined the consensus in approving the 1996-97 U.N. budget.

The program officers in the State Department's Bureau of International Organization Affairs are responsible for continually assessing U.S. membership in international organizations. House Conference Report 104-863, which accompanies Public Law 104-208, also requires that the State Department assess U.S. interests in international organizations and submit a report to the Congress not later than January 30, 1997.

At the direction of the President, the executive branch is presenting its reform proposals to other governments and the five organizations. Additional studies, proposals, and recommendations for change have also been made by other experts, including the U.N. Office of Internal Oversight Services, the Joint Inspection Unit, the External Auditors, the Geneva Group, the Group of 77, the Group of 7, and nongovernmental organizations. For example, in April 1996, Australia published its proposal for modernizing WHO. In April 1993, Sweden presented a proposal for

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budgetary reform in the United Nations, including ILO and WHO, to the members of the Geneva Group.

Analyses of reform initiatives for each of the organizations by us and others showed that the organizations have responded slowly, but favorably, to the reform proposals. The following sections discuss the status of management, administrative, and program reforms at each of the five organizations.

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## WHO

The United States has been a leader in pursuing management and administrative improvements at WHO. U.S. officials and others have urged WHO to adopt a number of measures aimed at improving the economy, efficiency, effectiveness, and accountability of the organizations' operations and programs. Recommended management and administrative improvement efforts cover a wide range of issues, from strengthening the internal audit function to improving budget transparency.

In 1992, the Executive Board, at the U.S. initiative, created a working group to examine WHO's role in responding to global change. The working group, which includes the U.S. member of the Executive Board, reviewed WHO's contributions and effectiveness, identified main issues that needed action, and made 47 recommendations for a fundamental revision of WHO operations to meet new challenges. These recommendations included proposals by the United States and others. Since 1993, WHO has implemented, or in some way addressed, a number of the management and administrative reforms, including

- establishing contracting and procurement guidelines, which the External Auditor believed were lacking;
- reducing the length of the annual World Health Assembly from 3 weeks in 1980 to 6 days in 1996;
- reallocating \$41 million, or 5 percent, of the core budget for the 1996-97 biennial budget to priority programs, including eradication of specific communicable diseases; prevention and control of specific communicable diseases; promotion of reproductive, women's, and family health; promotion of primary health care and other areas that contribute to primary health care, such as essential drugs, vaccines, and nutrition; and promotion of environmental health, especially community water supply and sanitation;

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- filling the long-vacant post of Deputy Director General (with someone in an acting capacity) to deal with important day-to-day management and policy issues in the absence of the Director General;
  - restructuring and simplifying the presentation of the 1996-97 budget;
  - issuing an annual publication that reports on the organizations' efforts and programs for improving the world health situation;
  - reducing the proposed 1996-97 budget from \$955.6 million to \$842.6 million;
  - establishing reduction-in-force committees for staff in professional and general services category posts and reduction-in-force procedures;
  - cutting over 200 staff positions at headquarters in Geneva;
  - strengthening internal audit functions (at the urging of the United States and other members of the Geneva Group) to give the Office of Internal Audit greater independence and a provision for external reporting to the membership;<sup>6</sup> and
  - becoming the first large U.N. specialized agency (following the recommendation of the Executive Board and decision of the World Health Assembly) to adopt a 2-term (10-year) limit for the service of the Director General (except for the incumbent).

Ongoing management improvement efforts include

- implementing a modern management information system to support planning, monitoring, and evaluation of WHO programs; provide a comprehensive database on the world's health status; and enable retrieval of WHO policy documents;
- developing a transparent personnel policy and reporting system so that program positions, pay grades, and temporary employees can be easily tracked by the WHO governing body; and
- examining WHO's 50-year-old constitution and the feasibility of making changes in the text to enhance WHO's effectiveness and efficiency.

Although WHO has made a number of changes to improve its operations, member states from both developed and developing countries continue to express concerns about the management and reform policies of the organization. For example, because of WHO's financial situation, the United States and others have urged the organization to eliminate nonpriority programs to bring the budget in line with available resources. Instead of eliminating nonpriority activities to meet shortfalls caused by late or nonpayment of regular budget assessments in 1995 by member states,

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<sup>6</sup>The Department of State commented that strengthening the internal audit function is imperative to efficient management but that WHO still has not clearly defined the function's degree of independence or established specifically which internal audit reports would be provided to WHO members.



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including the United States, Russia, and Ukraine, WHO froze 10 percent of the program budget.<sup>7</sup>

Moreover, despite financially difficult times, the number of senior-level positions have increased. In the last 4 years, the number of senior-level ungraded posts increased by 23 percent, from 13 in 1992 to 17 in 1996. Other senior-level graded posts increased by 16 percent, from 42 in 1992 to 50 in 1996. Only the Director General has the authority to accept or reject member state personnel management recommendations for the WHO Secretariat.

The Executive Board subgroup on priority setting met with senior WHO management in May 1996 and recommended that the priorities selected for the 1996-97 biennium be continued throughout the 1998-99 biennium. Some members of the board wanted to add to these priorities, but the general consensus was to focus on the ones contained in the current budget document. For example, Russia wanted to add noncommunicable diseases, and Barbados wanted to add violence as public health issues and other program activities.

The Departments of State and Health and Human Services have continued to influence WHO's reforms through WHO's Executive Board process, working directly with the WHO Secretariat and other member states to create a consensus for reform. The Secretary of Health and Human Services chairs the quarterly meeting of senior representatives from Departments of Health and Human Services and State, USAID, and the U.S. Mission. The Ambassador at the U.S. Mission in Geneva chairs the Western European and Others Group, which deals with U.N. specialized agencies and organizations issues. A senior U.S. Public Health Service officer is assigned to the U.S. Mission in Geneva as International Health Attache.

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## PAHO

According to officials from the Departments of State and Health and Human Services, PAHO has undertaken a number of self-initiated actions aimed at improving the efficiency and effectiveness of its operations. For example, PAHO reduced the number of staff posts by 351, from 1,222 to 871, since 1980; implemented and provided continued improvements to its financial management information system; and closed a research center

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<sup>7</sup>As of August 31, 1996, the United States owed \$18.9 million (for 1995), Russia \$19.8 million (for 1995), and Ukraine \$19.3 million (for 1993-95). At the end of 1995, WHO borrowed \$206 million from internal funds to sustain its operations. WHO used the full balance of \$28 million of its working capital fund and borrowed from its internal funds the balance of \$178 million. By October 31, 1996, \$130 million of the borrowed funds had been reimbursed.

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deemed not cost-effective. PAHO's headquarters was one of three offices to reach WHO's September 1995 target of 30 percent for the proportion of all professional and higher graded posts in established offices to be occupied by women. In addition, in 1995, PAHO's entire staff participated in an effort to revise the organization's mission statement. Each year, every unit at PAHO undergoes a detailed performance review used to shape its program and budget allocations for the next year.

Although PAHO undertook a number of actions to improve the efficiency and effectiveness of its operations, the United States and others have recently expressed concerns about the declining financial situation at PAHO. Until 1995, the organization has had sufficient resources to fund its operations and was reluctant to establish specific priorities for its program and budget. However, in late 1995, the organization experienced a shortfall because of late or nonpayment of regular budget assessments. The United States, which contributes about 60 percent of PAHO's regular budget, did not make its last quarter payment for 1995. As a result, the organization had to draw down its working capital fund to cover the shortfall. The United States has since paid its assessment in full for 1995. According to PAHO officials, the borrowed funds will be repaid when a surplus of assessed contributions is available, but when this will occur is unknown. Although the outlook for additional funds to support its 1996 operations appeared negative, the organization refused to adopt the zero growth budget policy. Despite the share of PAHO's budget paid by the United States, PAHO approved a 2.5-percent increase of its 1996-97 budget. The United States was the only member state to vote against this increase, but it has no authority to veto majority votes.

The United States has urged PAHO to eliminate nonpriority programs. In March 1996, PAHO responded by announcing plans to trim back the PAHO budget in selected nonpriority areas. In April 1996, PAHO began a review of its environmental sanitation and veterinary public health programs, which seemed to overlap with other organizations performing similar work. The results of the review of environmental sanitation programs are not yet available. The results of the review of veterinary public health programs were presented at the December 1996 meeting of the Subcommittee on Program and Planning of the Directing Council's Executive Committee, along with a recommendation that PAHO continue to conduct veterinary public health programs, particularly those focusing on diseases such as mad cow disease. PAHO also initiated a review of the need for all of the organization's technical centers, but the results of this review are not yet available. Nonetheless, PAHO officials indicated that the country

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governments own the technical centers and make the final decisions about them, regardless of outside recommendations.

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## ILO

ILO has had a number of management improvements in recent years. According to ILO, the reforms have focused on creating greater efficiencies in the agency's operations and improving ILO responsiveness to member needs. According to U.S. government officials in Geneva, ILO had been in the forefront of making reforms and was making good progress. Some of ILO's major reforms implemented include

- reducing the approved 1996-97 biennial budget by \$21.7 million, from \$579.5 million to \$557.8 million;
- moving a portion of its staff from headquarters in Geneva to the field;
- establishing an active partnership policy, which called for delegation of authority to the field, assignment of multidisciplinary teams to the regions, reviews of all country-level activities, redefined roles for headquarters units, staff mobility, and closer working relationships between ILO and its clients;
- adopting a business-based strategic publications policy, which plans for editorial review of manuscript proposals for relevance, timeliness, and marketability;
- decentralizing financial functions to field offices;
- developing action programs, which are designed to produce concrete and timely outputs to constituents;
- reducing the duration and frequency of meetings, including the International Labor Conference, Governing Body meetings, technical and sectoral meetings, and regional conferences; and
- revising budget procedures to include cost estimates by program priority instead of program department.

Ongoing management improvement efforts include

- conducting feasibility studies on outsourcing in-house printing operations, mainframe computer operations, and central typing pool services and transferring freelance translations services from contractors based in Geneva to contractors based in lower cost countries and
- implementing a new monitoring, self-evaluation, and reporting system, which requires that each unit prepare annual workplans, semiannual progress reviews, and annual self-evaluations.

Some important management and administrative improvements on the current U.S. reform agenda still await significant action. The more important items are (1) developing a mechanism for more equitable sharing of exposure to exchange rate losses between member states and the organization, (2) improving governing body oversight procedures to ensure better compliance with audit and inspection recommendations, and (3) declaring one or two activities in each of the three programming areas as high priority for the biennial budget under development. The first item reverses the U.S. 1991 position that insisted that ILO change its budget calculations from U.S. dollars to Swiss francs, thus exposing all dollar-based currencies to exchange rate losses. Before 1991, ILO's budget was determined in U.S. dollars, which placed the exchange rate burden on ILO. According to the State Department, this method of determining ILO's budget necessitated frequent supplemental budget requests, which were routinely approved.

In addition, the State Department has also urged ILO to create an office that would have functions similar to an inspector general. According to ILO officials, the Secretariat, in consultation with the United States and other members, prepared amendments to its financial rules and regulations to give its Office of Internal Audit greater independence and a provision for external reporting to the membership. The proposed revisions were presented and approved by ILO's governing body at its November 1996 meeting. We did not assess the potential impact of these revisions.

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## UNCTAD

UNCTAD has undergone an evolution of management and administrative improvement efforts. Until early 1996, UNCTAD had not begun a comprehensive reform effort, although the U.S. government has been trying to reform UNCTAD's program and organization since 1992. At the 1992 UNCTAD conference, the member states reformed the working methods of UNCTAD and set some new priorities. These actions set a new nonideological tone for UNCTAD's proceedings and created a new intergovernmental process similar to that of the Organization for Economic Cooperation and Development, with an emphasis on analysis and discussion.<sup>8</sup> According to State Department officials, U.S. leadership was a significant factor in making these reforms.

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<sup>8</sup>The Organization for Economic Cooperation and Development was formed in 1961 to promote consistent economic and social policies and practices of its 27 industrialized member nations through systematic reviews and analyses. The reviews and analyses focus on areas such as education, environment, and trade.

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However, despite U.S. expectations, UNCTAD's efforts did not lead to comprehensive reform. UNCTAD's Secretariat remained overstuffed and poorly managed, and its program remained unfocused. The United States and others described UNCTAD's program during that period as a hybrid, reflecting both old priorities along with the new priorities of the 1992 UNCTAD conference. UNCTAD said that it was difficult to undertake a reform agenda because, as an integral part of the U.N. Secretariat, it faced bureaucratic obstacles within the Secretariat. Although it is true that UNCTAD is not an autonomous agency and must follow the managerial policies and apply the administrative procedures set by the General Assembly, both U.N. and U.S. officials stated that UNCTAD had opportunities for making reforms after the 1992 conference that it did not use.

In September 1994, UNCTAD's governing body, the Trade Development Board, adopted a technical cooperation policy to guide program decisions and directed that the working groups on the medium-term plan and the program budget should annually review the technical cooperation policy. To improve coordination, the working groups in 1995 directed the Secretariat to develop memorandums of understanding with other international organizations working on related technical cooperation projects.

According to State Department officials, UNCTAD has done valuable work in some areas, including trade and environment, risk management, and trade efficiency. For example, UNCTAD conducts programs to encourage less developed countries to use financial instruments in risk management. Also, UNCTAD's statistical publications, the Trade and Development Report and the World Investment Report, are widely used in the United States and other countries. However, State Department officials said that UNCTAD could be more cost-effective and responsive to management and administrative reforms. For example, the State Department believes that many elements of UNCTAD's work program have not made unique, cost-effective, or valuable contributions to the international system and therefore should be eliminated (and the Secretariat correspondingly reduced). These elements include poverty alleviation, economic cooperation among developing countries, global interdependence, enlarged economic spaces, and export capacity. UNCTAD's future work program is undergoing a thorough review in light of the decisions made at the 1996 UNCTAD conference.

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In December 1995, the U.N. Office of Internal Oversight Services issued a report highly critical of UNCTAD and called for a major reorganization and refocusing of UNCTAD's program. Specifically, the report noted that almost all of UNCTAD's activities are also done by other organizations within the U.N. system. For example, research on developing countries' trade and development problems is carried out in U.N. regional commissions and U.N. headquarters. In addition, the report concluded that UNCTAD's current organizational structure inhibits policy cohesion and effective program oversight and coordination functions within the Secretariat. Officials from the Office of Internal Oversight Services stated that the plans to reorganize UNCTAD, formulated by the new UNCTAD Secretary General in March 1996, were an important first step in addressing the concerns raised in the report.

Finally, at the April 1996 UNCTAD conference, the organization adopted a wide range of management and administrative improvement initiatives. UNCTAD's Secretary General announced a complete reorganization of the Secretariat. Some of the major initiatives adopted at this conference include

- reducing the number of standing intergovernmental bodies by 75 percent, from 20 to 5, and cutting the total number of annual meeting days by 50 percent, from 120 to 60 days;
- coordinating UNCTAD's activities more closely with the World Trade Organization, the International Trade Center, and other international organizations;
- redefining UNCTAD's program of work to include helping developing countries enter the international trading system and providing guidance on national policies; and
- increasing involvement of the private sector and nongovernmental organizations in UNCTAD's work.

State Department officials view the reforms adopted at the 1996 UNCTAD conference as a successful outcome for the conference. The work of the conference, in their view, provided for streamlining institutional arrangements, focusing activity on a relatively small number of priority issues, reducing the length and number of meetings, and enhancing transparency in UNCTAD's program and budget. A State Department official attending the October 1996 meeting of the Trade and Development Board stated that the meeting generally reflected the reformist orientation of the UNCTAD conference held earlier in the year. However, State Department officials stated the conference and other reform proposals are only a first

step and that UNCTAD's member states must ensure that the reform measures are successfully implemented.

## UNFPA

State Department and other U.S. government officials we interviewed consider UNFPA to be generally responsive to management, administrative, and program reform proposals. Since 1988, the organization has undertaken a wide range of management and administrative improvements. Some of the actions completed include

- establishing eight regional and subregional country support teams, consisting of experts from WHO, the U.N. Educational, Scientific, and Cultural Organization (UNESCO), FAO, and ILO;
- financing 42 specialist and coordinator posts to headquarters of the United Nations, UNESCO, WHO, FAO, and ILO, as well as U.N. regional commissions and WHO regional offices, whose staff provide backup services to country support teams and country field offices and work on population issues within their own agencies;
- introducing a new performance appraisal system that establishes an annual individual work plan, monitors performance through the year with an interim review, and provides a year-end appraisal and review by the Management Review Group; and
- decentralizing operations to the UNFPA field offices.

The United States recommended action in two areas:

- reducing the number of smaller projects and combining them into fewer but larger projects and
- streamlining its program planning, implementation, monitoring, and evaluation.

According to a U.S. official, UNFPA has responded favorably to the U.S. recommendation. For example, UNFPA's 1995 Director's report shows that the number of new projects dropped from 610 in 1994 to 435 in 1995. We did not assess UNFPA's response to these recommendations or determine whether they adequately addressed the State Department's concerns.

## Agency Comments

The Departments of State, Health and Human Services, and Labor and USAID generally agreed with our report. All of the agencies said that the report provides a balanced assessment of U.S. participation in the five international organizations. State noted that, even though many of the

reform initiatives have been only adopted recently, those that were implemented several years ago are now in the process of being evaluated. The Departments of State and Health and Human Services also indicated that WHO's current lack of effective leadership has been an important factor in the somewhat slow progress WHO has made in instituting reforms. The State Department said that the election of a new WHO Director General in 1998 will provide a vitally needed impetus for moving ahead with a strong reform agenda.

WHO, PAHO, ILO, UNCTAD, and UNFPA generally concurred with the report, but UNCTAD emphasized that it is not an autonomous agency, as are the other organizations discussed in our report, and that it must follow the managerial policies and administrative procedures set by the U.N. General Assembly. UNCTAD also said that, even though the U.N. Office of Internal Oversight Services was critical of UNCTAD's management performance, other reports have been more favorable.

Each agency provided technical comments that have been incorporated into the report as appropriate. Agency comments are reprinted in their entirety in appendixes VI through XIV.

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## Scope and Methodology

We conducted our review at the headquarters of WHO, ILO, UNCTAD, and the World Trade Organization in Geneva, UNFPA in New York, and PAHO and the World Bank in Washington, D.C. We reviewed policy documents, resolutions adopted by governing boards, manuals, annual reports, budget and financial documents, internal reports, External Auditor reports, collaboration agreements between organizations, internal and external management studies, reform proposals, and background literature on the organizations. In addition, we obtained policy statements and documents relating to U.S. foreign policy interests and objectives and the management of U.S. participation in international organizations from the Department of State in New York, Geneva, and Washington, D.C.

As an agency of the United States, we have no direct audit authority to review the operations of international organizations, including WHO, PAHO, ILO, UNCTAD, and UNFPA. However, these organizations consented to our review, and the Secretariat and staff of each organization were open and forthcoming in interviews and provided us with all information requested.

To determine whether U.S. participation serves U.S. foreign policy interests, we compared U.S. foreign policy objectives with the policies and



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program objectives of the five organizations. We also obtained the views of administration officials responsible for setting U.S. foreign policy interests and managing U.S. participation in international organizations, as well as views from organizations that have often been publicly critical of the United Nations. To determine whether U.S. interests can be served more cost efficiently by other means, we obtained assessments from U.S. officials and other experts on the impact of the organizations' programs and the benefits derived from U.S. participation. We also interviewed U.S. government and private institution officials. To examine the progress on management, administrative, and program reforms, we compiled information on recent reforms initiatives from the five organizations and compared their assessments of progress made with U.S. and other expert assessments. The scope of our review did not include an assessment of the status or effectiveness of reforms undertaken in the area of financial management at any of the organizations.

We interviewed over 100 employees at all levels of the organizations, ranging from the Directors General to the support staff; 19 representatives from 14 member countries of the Geneva Group; 11 representatives from 7 member countries of the Group of 77; the External Auditor from the United Kingdom; and nongovernmental organizations, including representatives from the American Federation of Labor and Congress of Industrial Organizations, U.S. Council for International Business, the Population Council, and the Center for Development and Population Activities. We also interviewed officials in Washington, D.C., responsible for U.S. participation in international organizations at the Departments of State, Health and Human Services, Labor, and Commerce; the U.S. Trade Representative Office; USAID, and the U.S. Mission to the United Nations.

We performed our review from November 1995 to October 1996 in accordance with generally accepted government auditing standards.

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We are sending copies of this report to appropriate congressional committees, the Secretary of State, and other interested parties. Copies will be made available to others on request.

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Please contact me at (202) 512-4128 if you or your staff have any questions about this report. Major contributors to this report are Lee Richardson, Zina Merritt, and Richard Boudreau.

Sincerely yours,

A handwritten signature in black ink that reads "Harold J. Johnson". The signature is written in a cursive style with a large, sweeping initial "H".

Harold J. Johnson  
Associate Director, International Relations  
and Trade Issues

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**Abbreviations**

AIDS	Acquired Immune Deficiency Syndrome
FAO	Food and Agriculture Organization
HIV	Human Immunodeficiency Virus
ILO	International Labor Organization
IMF	International Monetary Fund
PAHO	Pan American Health Organization
UNCTAD	U.N. Conference on Trade and Development
UNDP	U.N. Development Program
UNESCO	U.N. Educational, Scientific, and Cultural Organization
UNFPA	U.N. Population Fund
UNICEF	U.N. Children's Fund
USAID	U.S. Agency for International Development
WHO	World Health Organization
WTO	World Trade Organization

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# World Health Organization

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The World Health Organization (WHO) was created in 1948, and the United States became a member that same year. WHO's constitution states that the enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being. In 1977, the World Health Assembly, WHO's policy-making body, formulated its "Health for All by the Year 2000" strategy, challenging governments and WHO to attain a level of health that would permit all people of the world to lead socially and economically productive lives. The objectives of WHO are pursued in part through technical cooperation with member states and by directing and coordinating international health work. These objectives are complementary and include advocating health; stimulating specific health action and disseminating information; developing norms, standards, plans, and policies; developing models for monitoring, assessing, and evaluating programs and projects; training; promoting research; and providing direct technical consultation and resource mobilization.

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## Organizational Structure

WHO has six regional offices located in Washington, D.C.; Alexandria, Egypt; Brazzaville, Congo; Copenhagen, Denmark; New Delhi, India; and Manila, Philippines. It also has liaison offices in Addis Ababa, Ethiopia; New York, Washington, D.C.; and Lyon, France (the International Agency on Research and Cancer). WHO has 143 country offices, which are often located within the national health ministry.

WHO recently appointed an acting Deputy Director General to deal with day-to-day management and policy issues in the absence of the Director General. The Director General has seven Assistant Directors General and two Executive Directors who are responsible for managing and administering the budgets of the major program divisions of WHO. Each of the six regional offices has a director, who is responsible for managing the programs and budgets of the regional offices. In addition, at headquarters, over 30 directors of functional departments are responsible for planning, monitoring, and evaluating the program activities of WHO.

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## Governance

The World Health Assembly is composed of all 190 member states. It meets annually in May to decide the overall direction of the organization and the general program for a specific period and adopt the 2-year budget. Most decisions are made by consensus, but a two-thirds vote is required if called for on budget issues. No member has veto power. The World Health Assembly elects the Director General as well as the 32 member states who designate 1 person technically qualified in the field of health to serve on



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the Executive Board. The board meets twice a year to review the work of WHO in more detail and prepares issues for consideration by the World Health Assembly. About one-third of the members are replaced annually. The current U.S. member of the Executive Board is the Principal Deputy Assistant Secretary for Health, Department of Health and Human Services. The current U.S. term on the Executive Board will be completed in June 1997. The United States will attend the board meeting as a nonmember in 1998.

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## Reporting Mechanisms

The Director General issues an annual report on the work of WHO. The report makes an annual assessment of world health status and needs and recommends relevant priorities for international health action to meet those needs. It also reports on WHO's efforts and programs for improving the world health situation.

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## Major Program Areas

WHO's planning covers a 6-year period and provides a framework for annual workplans. The most recent plan, The Ninth General Program of Work for 1996-2001, establishes the global health policy framework for action by the world health community (international organizations of the U.N. system, including WHO; nongovernmental organizations; bilateral and multilateral donor and development agencies; banks; and countries). The four major orientations of the global health policy include integrating health and human development in public policies, ensuring equitable access to health services, promoting and protecting health, and preventing and controlling specific health problems.

WHO encourages and assists member states to provide a vast number of functions to achieve its objectives. The functions include technical cooperation, consensus development, information dissemination and other support focused on, but not limited to, prevention and control of infectious diseases, including eradication of diseases where possible; promotion of maternal and child health; environmental health, including promotion of safe water and improved sanitation; occupational health; promotion of improvements in health systems, with particular reference to equity of access; occupational health; and reproductive health, nutrition, and health problems of a noncommunicable nature (e.g., cancer and cardiovascular disease).

## Financial Resources

WHO's budget, maintained on a biennial basis, is the largest of the U.N. specialized agencies. WHO's regular budget comes from assessed contributions from member states, and its scale of assessments is fixed according to the U.N. scale of contributions adopted by the General Assembly. (See tables I.1 through I.3.) Extrabudgetary contributions come from various donor countries and institutions for specific health initiatives or programs.

**Table I.1: WHO's Budget**

Dollars in millions			
<b>Type of funding</b>	<b>1992-93</b>	<b>1994-95</b>	<b>1996-97</b>
Regular budget	\$734.9	\$822.1	\$842.6
Extrabudgetary contributions	756.7	1,149.2	993.7 <sup>a</sup>
<b>Total</b>	<b>\$1,491.5</b>	<b>\$1,971.3</b>	<b>\$1,836.3</b>

<sup>a</sup>This amount was estimated as of January 1995.

Source: WHO.

**Table I.2: Distribution of WHO's Regular Budget**

Dollars in millions			
<b>Location</b>	<b>1992-93</b>	<b>1994-95</b>	<b>1996-97</b>
Headquarters <sup>a</sup>	\$257.6	\$283.0	\$298.5
Africa	136.4	154.3	154.3
Americas	71.5	79.8	79.8
Southeast Asia	87.0	95.9	96.2
Europe	45.9	49.0	50.8
Eastern Mediterranean	73.6	85.5	86.3
Western Pacific	62.9	74.6	76.7
<b>Total</b>	<b>\$734.9</b>	<b>\$822.1</b>	<b>\$842.6</b>

<sup>a</sup>Most of the budgetary increase from 1994-95 to 1996-97 was for headquarters operations and activities.

Source: WHO.

**Table I.3: U.S. Contributions to WHO**

Dollars in millions				
Type of funding	Fiscal year			
	1992	1993	1994	1995
Regular budget	\$83.4	\$98.5	\$92.5	\$104.1
Extrabudgetary contributions	70.3	82.5	95.5	39.3
<b>Total</b>	<b>\$153.7</b>	<b>\$181.0</b>	<b>\$188.0</b>	<b>\$143.4</b>

Note: Information on fiscal year 1996 contributions was not available at the time of our review.

Source: U.S. executive branch agencies.

For the past 3 years, WHO has experienced a severe financial crisis. Because of budgetary shortfalls due to late or nonpayment of regular budget assessments by member states, including the United States, Russia, and Ukraine, WHO has had to rely on extensive borrowing from internal funds. (See pp. 14-15 for details.) In addition, the budget approved by the World Health Assembly in May 1995 for the 1996-97 biennium was 14 percent below the zero real growth (based on WHO's zero real growth calculation) that the Secretariat had hoped to obtain.

## Personnel

As of January 1, 1996, WHO had 3,828 employees: 1,363 professional and 2,465 general services staff. However, WHO has not met its target for the recruitment of women to professional and higher graded posts. In 1993, the Executive Board set a target date of September 30, 1995, for reaching the 30-percent goal for women to occupy all professional and higher graded posts. However, only three of eight offices—the Americas, Europe, and headquarters—reached the goal by that date. As of December 1995, WHO employed 758 men and 284 women, or about 27.3 percent of its staff, in the professional and higher grade categories.

Because of budgetary constraints, WHO has taken a number of steps to downsize the organization. For example, WHO has established a reduction-in-force committees for staff in professional and general services category posts and reduction-in-force procedures. In early 1996, WHO abolished 207-1/2 regular budget positions. About 43 of the posts were unoccupied. About 39 received termination notices, 33 mutually agreed to leave, and 9 retired. Other solutions, such as reassignment or placement into half-time posts, were provided for the remaining staff. Tables I.4 and I.5 provide data on WHO staff levels.

**Table I.4: Number of WHO Staff Members**

<b>Type of staff</b>	<b>1992-93</b>	<b>1994-95</b>	<b>1996-97</b>
Professional	1,527	1,532	1,363
General services	2,991	2,741	2,465
<b>Total</b>	<b>4,518</b>	<b>4,273</b>	<b>3,828</b>

Source: WHO.

**Table I.5: Location of WHO Staff Members**

<b>Location</b>	<b>1992-93</b>	<b>1994-95</b>	<b>1996-97</b>
Headquarters	1,552	1,565	1,371
Regions	2,184	1,896	1,713
Countries	782	812	744
<b>Total</b>	<b>4,518</b>	<b>4,273</b>	<b>3,828</b>

Source: WHO.

## **Collaboration With Other International Organizations**

WHO has official relations with over 180 nongovernmental organizations. Along with other institutions, especially with the U.N. Children's Fund (UNICEF), WHO promotes the involvement of relevant socioeconomic development sectors in health in line with its Health for All strategy. UNICEF-WHO joint actions in the areas of child survival, the sick child initiative, safe water and sanitation, breastfeeding, and safe motherhood are some examples that call for intersectoral action and help put health in the center of sustained development policies and programs.

Progress has been made in strengthening collaboration at country and regional levels between WHO and the World Bank and other regional development banks: the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the Islamic Development Bank. WHO advises and supports member states and the banks on their health and health-related policies and the allocation of use of their financial and technical resources to implement those policies.

Recommendations for action and World Bank and WHO partnership principles were agreed to at the World Bank/WHO Review Meeting in November 1994. During 1995, all of WHO's regional offices organized follow-up regional review meetings with the World Bank's regional representatives. Collaboration is aimed at ensuring that health aspects are taken fully into consideration in development of projects financed by the

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World Bank and that WHO is fully involved in the early stage in planning and throughout the implementation and evaluation phases at all levels—country, regional, and global.

WHO has continued to collaborate with the Association of South-East Asian Nations on advocacy measures against the Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) and pharmaceutical products. A memorandum of understanding with the South Asian Association for Regional Cooperations was prepared in 1995. Collaboration also continued with the League of Arab States and the Organization of Islamic Conference.

The WHO working group on continental Africa was established in 1994 to facilitate WHO's contribution to the implementation of the U.N. "New Agenda for the Development of Africa in the 1990s" strategy. WHO is promoting awareness of the Treaty Establishing the African Economic Community and has assisted the Secretariat of the Organization of African Unity in drafting a health protocol for the treaty.

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## **U.S. Participation in WHO**

The United States is active in virtually every aspect of the work and functioning of WHO. As a founding member of WHO, the United States has helped to define its role in international health work. The United States has a greater number of its citizens on the staff of WHO—143 as of January 1996—compared with other member states: the United Kingdom (57), France (57), Russian Federation (41), Germany (41), Japan (36), Canada (35), Italy (30), and Brazil (28). However, the number of U.S. staff is still below the recruitment range, which is 193 to 262.

Many of the top scientific and administrative positions of the Secretariat are held by U.S. citizens. Senior posts filled by U.S. citizens include the Assistant Director General for Communicable Diseases, Director of the Action Program on Essential Drugs, Director of the Division of Emerging and Other Communicable Diseases Surveillance and Control, and the External Relations and Information Officer in Washington, D.C. In addition, of the 1,100 WHO collaborating centers, more than 162 are located at U.S. institutes, many at National Institutes of Health and the Centers for Disease Control and Prevention.

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The U.S. government agencies that participate in the work of WHO include the following:

Department of Agriculture

Department of Commerce  
National Oceanic and Atmospheric Administration  
National Institute of Standards and Technology

Department of Defense  
Office of Assistant Secretary of Defense for Health Affairs  
Department of the Army  
Department of the Navy

Department of Health and Human Services  
Office of Public Health and Science  
Agency for Health Care Policy and Research  
Centers for Disease Control and Prevention  
Food and Drug Administration  
Health Resources and Services Administration  
Indian Health Service  
National Institutes of Health  
Substance Abuse and Mental Health Services Administration

Department of State  
Bureau of Oceans and International Environment and Scientific Affairs  
Bureau of International Organizations  
Office of Medical Services

Department of Veterans Affairs

Environmental Protection Agency

National Aeronautics and Space Administration

National Security Council

Office of Global Climate Change Research Programs

Office of Management and Budget

Peace Corps

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**Appendix I**  
**World Health Organization**

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U.S. Agency for International Development (USAID)

White House Office of Science and Technology Policy

White House Council for Environmental Quality

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# Pan American Health Organization

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The International Sanitary Bureau, the predecessor of the Pan American Health Organization (PAHO), was created in 1902 during the first international meeting devoted to the health problems of the Western Hemisphere. The bureau was essentially a source for information on the countries' sanitary conditions. The bureau was later charged with conducting and promoting scientific studies on any deadly disease outbreak in the North, South, and Central Americas and the Caribbean, offering assistance in promoting and protecting the health of the countries' populations and encouraging seaport sanitation. In 1923, the bureau was entrusted with elaborating the Pan American Sanitary Code. The code, which was adopted a year later by delegates of 18 countries, changed the organization's name to the Pan American Sanitary Bureau and broadened its functions and responsibilities.

International health authorities understood that an international organization with a broad health program was essential to cope with the health problems of a world made increasingly smaller by faster transportation. The XII Pan American Sanitary Conference created the Pan American Sanitary Organization—which later became PAHO—and established the Pan American Sanitary Bureau as its operative arm. In 1949, an agreement with WHO established the relationship between the two organizations, with the bureau serving as WHO's regional office for the Americas.

PAHO's mission is to foster and coordinate the efforts of the countries in the Western Hemisphere to fight disease, lengthen life, and promote the physical and mental health of their populations. To fulfill these mandates, PAHO cooperates with member countries in (1) identifying immediate and long-term health threats and developing approaches to overcome them; (2) making the latest scientific and technical information in health available; (3) providing assistance for developing and improving national and local health services; (4) promoting research and development of technology; (5) awarding grants and fellowships and organizing seminars and training courses; and (6) supporting national activities and programs that address public health problems. PAHO also works with member countries' ministries of health, social security agencies, and other national health institutions in the health, education, environment, and agriculture sectors.

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## Organizational Structure

PAHO's Secretariat is headed by a director who is elected every 4 years by the Pan American Sanitary Conference. The Secretariat staff is composed



of health authorities from member states who are primarily, but not exclusively, from countries in the Western Hemisphere. The Secretariat is responsible for carrying out the policies and programs approved by the governing bodies of the organization. PAHO has 8 scientific and technical centers and 28 field offices. One of its field offices is located in El Paso, Texas.

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## Governance

The policies of PAHO are set by its governing bodies—the Pan American Sanitary Conference, the Directing Council, and the Executive Committee. The conference and the council also serve as the Regional Committee for the Americas of the WHO. The conference meets every 4 years to elect the Director of the Pan American Sanitary Bureau, establish PAHO's general policies and the bureau's mandates, and serve as a forum for debating major national and international health issues. The Directing Council's makeup mirrors that of the conference. Among other responsibilities, the council reviews and approves PAHO's biennial program budget and considers important policy issues. The Executive Committee is made up of representatives from nine member governments chosen by the conference or the council for staggered 3-year terms. The committee meets twice yearly to approve the provisional agendas for the conference and the council and review policy issues that will be presented to those bodies.

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## Reporting Mechanisms

In accordance with the PAHO's constitution, the Director submits an annual report on technical cooperation activities of the Pan American Sanitary Bureau to its members. The Director also submits an interim financial report.

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## Major Program Areas

In September 1994, the Pan American Sanitary Conference approved five strategic and programmatic orientations for PAHO for 1995-98. The five orientations are health in human development, health systems and services development, health promotion and protection, environment development and protection, and disease prevention and control.

PAHO's member states have asked PAHO to undertake activities that are outside the scope of the WHO charter but are consistent with PAHO's constitution. One of these responsibilities is a veterinary public health program, a mandate received from member countries. As a member of the inter-American system, PAHO is frequently called on to carry out assignments unique to the region, such as its responsibilities in carrying

out negotiations leading to the Health Initiative of the Americas, which was part of the plan of action of the Summit of the Americas held in Miami, Florida, in December 1994.

## Financial Resources

The largest portion of PAHO's funds comes from assessments paid directly by member countries. These assessments are calculated based on a country's population and national income. The remainder of the organization's regular budget comes from WHO. PAHO also receives extrabudgetary resources from various U.N. agencies, other international bodies for which it acts as an executing agency, foundations, and bilateral donor countries, as shown in tables II.1 and II.2. About 82.9 percent of PAHO's budget is allocated for its program costs.

**Table II.1: PAHO's Budget**

Dollars in millions			
Type of funding	1992-93	1994-95	1996-97
Regular budget	\$152.6	\$164.5	\$168.6
PAHO share of WHO regular budget	71.5	79.8	79.8
Extrabudgetary contributions	142.3	194.5	63.0 <sup>a</sup>
<b>Total</b>	<b>\$366.4</b>	<b>\$438.8</b>	<b>\$311.4</b>

<sup>a</sup>This amount was estimated as of June 1995.

Source: PAHO.

**Table II.2: U.S. Contributions to PAHO**

Dollars in millions				
Type of funding	Fiscal year			
	1992	1993	1994	1995
Regular budget	\$45.5	\$46.1	\$47.4	\$48.7
Extrabudgetary contributions	14.6	10.5	10.6	2.9
<b>Total</b>	<b>\$60.1</b>	<b>\$56.6</b>	<b>\$58.0</b>	<b>\$51.6</b>

Note: Information on fiscal year 1996 contributions was not available at the time of our review.

Source: U.S. executive branch agencies.

In late 1995, PAHO experienced a shortfall primarily because of late or nonpayment of regular budget assessments. As a result, the organization borrowed from its working capital fund. The United States, PAHO's largest contributor, was unable to make its last quarter payment. The United States has since fully paid its 1995 assessment, but owes a total of about

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\$11 million for payments due before 1996. According to PAHO officials, the borrowed funds will be repaid when a surplus of assessments contributions is available, but when this will occur is unknown.

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## Personnel

As of December 1, 1995, PAHO had a total of 686 employees—271 professional and 415 general services staff. Women make up 59 percent of the total number of employees and 34 percent of the total professional positions. PAHO employs about 109 U.S. citizens—49 professional and 60 general services staff. Senior posts filled by U.S. citizens include the Deputy Director and Chiefs of Budget, Finance, Administration, Publications and Editorial Services, Public Information, and the Pan American Center for Human Ecology and Health.

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## Collaboration With Other International Organizations

PAHO collaborates with a number of organizations. Some of PAHO's current collaborative efforts include

- vaccinations with UNICEF, the U.N. Development Program (UNDP), USAID, and Rotary International;
- efforts to reduce maternal and child mortality and other programs to improve children's health with UNICEF at the regional and country levels;
- radiology and nuclear medicine with the International Atomic Energy Agency;
- air and water pollution issues with the U.N. Environment Program and the U.S. Environmental Protection Agency;
- food safety and animal health coordination with the Food and Agriculture Organization;
- the Joint U.N. Program on the HIV and AIDS with WHO, UNDP, UNICEF, the U.N. Educational, Scientific, and Cultural Organization (UNESCO), U.N. Population Fund, and the World Bank;
- health conditions of refugees with the U.N. High Commissioner for Refugees; and
- natural disaster response with the Red Cross.

Since 1994, PAHO has participated as a regular member in the World Bank's consultative groups meetings. PAHO also participated at the Inter-American Development Bank's annual board meeting, sponsored the first Inter-American Conference on Society, Violence, and Health and cosponsored by the Inter-American Development Bank; UNICEF; UNDP; UNESCO; USAID; the Organization of American States; and the Inter-American Dialogue, a think tank in Washington, D.C. It also played a key role in

negotiations leading to the Health Initiative of the Americas, which was part of the plan of action of the Summit of the Americas.

PAHO actively works with U.S. nongovernmental organizations, foundations, and cooperations. For example, PAHO is working with the Caribbean/Latin American Action, a nongovernmental organization, and the private sector to explore how new information technologies can be most effectively applied to health concerns in the region. PAHO also chairs a Telemedicine Committee that brings together a diverse group, including U.S. national laboratories and telecommunications companies. This plan is designed to complement the Summit of Americas' mandate to explore the use of new telecommunications technologies.

In addition, PAHO collaborates extensively with U.S. military health authorities and the Department of Health and Human Services. PAHO's programs are closely coordinated with national health authorities, particularly the agencies of the Public Health Service (e.g., Centers for Disease Control and Prevention, Food and Drug Administration, and National Institutes of Health). These programs minimize the impact on U.S. citizens of infectious diseases and seek to improve sanitation conditions in neighboring countries.

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# International Labor Organization

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The International Labor Organization (ILO) was established in 1919 under the Treaty of Versailles as an autonomous institution associated with the League of Nations. An agreement establishing the relationship between ILO and the United Nations was approved in 1946, and ILO became the first specialized agency associated with the United Nations. Today, ILO continues to operate under its own constitution.

The primary objectives of ILO are promoting democracy and human rights, fighting unemployment and poverty, and promoting equality and adequate protection for all categories of workers. Among its activities, ILO formulates international policies and programs to help improve working and living conditions; creates international labor standards to serve as guidelines for national authorities in putting these policies into action; carries out an extensive program of technical cooperation to help governments in making these policies effective in practice; and engages in training, education, and research to help advance these efforts. ILO is unique among world organizations in that worker and employer representatives have an equal voice with government representatives in formulating policies.

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## Organizational Structure

ILO has 26 area and 5 regional offices through which it implements its technical cooperation programs in 138 countries. In addition, 14 multidisciplinary teams located at 14 sites around the world support country programs.

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## Governance

ILO's policy-making and legislative body is the International Labor Conference, which is composed of the entire membership and meets every June. The conference approves the biennial budget. ILO's Executive Board is the Governing Body, which is composed of 56 members (28 government delegates, 14 worker delegates, and 14 employer delegates). The Secretariat is headed by a Director General appointed by the Governing Body. The Director General is responsible to the Governing Body for managing the Secretariat. The United States has a permanent seat in the Governing Body and the U.S. representative to the Governing Body is the Deputy Under Secretary of Labor for International Affairs. The Governing Body usually makes decisions on a consensus basis, and no member has veto power.

## Major Program Areas

ILO focuses broadly in three areas: promoting democracy and human rights, fighting unemployment and poverty, and protecting working people. ILO's budget documents contain a wide array of programs within its institutional focus, including international labor standards and human rights, employment, enterprise and cooperative development, training, industrial relations and labor administration, multinational enterprises and social policy, working conditions and the environment, sectoral activities, social security, statistics, development and technical cooperation, equality for women, employers activities, and workers activities. Within these programs, ILO employs such tools as technical meetings, research, dissemination of information, standard setting, technical advisory services, and field projects.

## Financial Resources

ILO's regular biennial budget is divided into about 40 major programs. In the 1996-97 biennium budget, four of the major programs are allocated over half of ILO's program funds. These programs are enterprise and cooperative development, training, working conditions and environment, and development and technical cooperation. Of the over \$227 million in extrabudgetary funds for the 1996-97 biennium, over \$64 million is expected to come from U.N. sources, such as UNDP. Tables III.1 and III.2 show ILO's budgetary information for 1992-97.

Table III.1: ILO's Budget

Dollars in millions			
Type of funding	1992-93	1994-95	1996-97
Regular budget	\$405.7	\$466.5	\$579.5 <sup>a</sup>
Extrabudgetary contributions	325.8	278.9	227.5
<b>Total</b>	<b>\$731.5</b>	<b>\$745.4</b>	<b>\$807.0</b>

<sup>a</sup>Later in the biennium, ILO reduced the approved 1996-97 biennial budget by \$21.7 million, from \$579.5 million to \$557.8 million.

Source: ILO.

**Table III.2: U.S. Contributions to ILO**

Dollars in millions				
Type of funding	Fiscal year			
	1992	1993	1994	1995
Regular budget	\$54.3	\$61.7	\$53.1	\$62.1
Extrabudgetary contributions	0	0	0	2.1
<b>Total</b>	<b>\$54.3</b>	<b>\$61.7</b>	<b>\$53.1</b>	<b>\$64.2</b>

Note: Information on fiscal year 1996 contributions was not available at the time of our review.

Source: U.S. executive branch agencies.

Table III.1 suggests that there is an increase in ILO's budget for 1996-97, compared with 1994-95. However, when the budget is adjusted for projected inflation and changes in the exchange rate, we estimate a 2-percent decline in real terms in ILO's budget. The apparent 24-percent increase between the 1994-95 and 1996-97 ILO budgets, and the corresponding increase in the U.S. assessment, is due primarily to changes in the U.S. dollar-Swiss franc exchange rate used in formulating the ILO budget (i.e., the 25-percent strengthening of the Swiss franc relative to the dollar). The actual dollar cost to the United States will depend on the exchange rate on the dates that the United States pays its assessed contribution. For example, the exchange rate used in calculating the 1996-97 U.S. dollar payment of \$579.5 million was 1.16 Swiss francs per dollar. However, if the United States had paid its assessed contribution on December 10, 1996, when the exchange rate was 1.33 Swiss francs per dollar, the U.S. dollar payment would have been only 10 percent greater than its actual contribution to the regular budget for 1994-95.

## Personnel

In March 1996, 72 U.S. citizens comprised 11.4 percent of the professional staff. Although the United States contributes about 25 percent of ILO's regular budget, ILO considers 15-percent employment of U.S. citizens to be a desirable target. According to an ILO official, more than 15 percent may not be feasible, given the desire of other countries to have some representation on ILO's staff. U.S. citizens hold several senior positions within ILO, including Deputy Director General, Director of Personnel, the Chiefs of the Equality and Human Rights Coordination Branch; Public Information; Information Technology and Communications; Publications; and Chief Librarian. Table III.3 shows the total number of ILO staff members between 1992 and 1995.

**Table III.3: Number of ILO Staff Members**

Type of staff	1992	1993	1994	1995
Professional	712	707	712	694
General services	1,077	1,075	1,094	1,118
<b>Total</b>	<b>1,789</b>	<b>1,782</b>	<b>1,806</b>	<b>1,812</b>

Note: Professional staff at ILO headquarters decreased 13 percent, from 569 in 1992 to 495 in 1995. General services staff at ILO headquarters decreased 11 percent, from 732 in 1992 to 662 in 1995.

Source: ILO.

## Collaboration With Other International Organizations

Within the U.N. system, ILO coordinates its programs with funds, programs, and specialized agencies, including UNDP, the International Maritime Organization, UNESCO, UNICEF, and the U.N. Industrial Development Organization. In addition, ILO coordinates with the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO). A 1992 Joint Inspection Unit Report, United Nations Cooperation With Multilateral Financial Institutions, cited the ILO-World Bank liaison arrangement as a constructive example of an effective approach to organizational cooperation. According to a World Bank official, interagency cooperation was good, but it was ad hoc and, particularly at the field level, dependent on personal relationships and contacts.

ILO officials stated that ILO and IMF did not have a consistent dialogue underway or a systematic way to collaborate. The two organizations disagreed on approaches to structural adjustment for economies in transition or undergoing a balance of payments crisis. However, in April 1996, ILO circulated a memorandum announcing a new agreement between IMF and ILO to foster collaboration on a systematic basis. Both ILO and IMF appear to be committed to creating a new collaborative relationship that recognizes the differences between the two organizations. The differences stem, at least in part, from the organizations' differing mandates.

Until December 1996, ILO's relationship with WTO was informal but, in ILO's view, close at the working level. For example, a representative of WTO attended meetings of ILO's Working Party on the Social Dimensions of the Liberalization of Trade as an observer. However, at the December 1996 WTO Ministerial meeting in Singapore, WTO's member states adopted the WTO Singapore Ministerial Declaration, which called for continued collaboration with ILO. WTO's members states also renewed their



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commitment to the observance of internationally recognized core labor standards set by ILO, and ILO as the competent body to set and deal with such standards.

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## U.S. Participation in ILO

U.S. participation in ILO is guided by national interests as defined by the President's Committee on ILO. The Committee is chaired by the Secretary of Labor and consists of the Secretaries of State and Commerce; the National Security Advisor; the President of the American Federation of Labor and Congress of Industrial Organizations; and the President of the U.S. Council for International Business, which includes the U.S. Chamber of Commerce and the National Association of Manufacturers. The State Department addresses the financial issues related to U.S. government membership and ILO management issues as well as U.S. foreign policy issues. The Department of Labor addresses most of the technical issues related to working conditions. Additionally, the Department of Commerce addresses the issues which arise in the ILO's Subcommittee on Multinational Enterprises, Committee on Legal Issues and International Labor Standards.

On the basis of the work of the President's Committee on ILO, the President's 1997 budget request for ILO sets out U.S. interests and immediate objectives for ILO. U.S. interests include preserving and strengthening workers' rights, improving working conditions, and creating employment. Specific goals include safeguarding the mechanisms used in applying ILO's conventions, particularly the human rights conventions; promoting a linkage between adherence to human rights labor standards and increased access to international trade; supporting the program to eliminate child labor; and promoting technical assistance programs in areas of foreign policy interests. The U.S. government is actively seeking reductions in ILO's budget.

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# U.N. Conference on Trade and Development

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The first U.N. Conference on Trade and Development (UNCTAD) in 1964 led to its establishment later that year as the principal entity within the U.N. General Assembly in the field of trade and development. Its mandate is to promote international trade, particularly that of the developing countries to accelerate their economic development. UNCTAD's functions are policy analysis, intergovernmental deliberations, consensus building and negotiation, monitoring, implementation and followup, and technical cooperation.

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## Organizational Structure

UNCTAD has a permanent Secretariat located in Geneva that is headed by the Secretary General, who is appointed by the U.N. Secretary General and confirmed by the U.N. General Assembly. UNCTAD's Secretary General reports to the U.N. Secretary General. Under a reorganization, UNCTAD's recently appointed Secretary General has reduced the number of divisions within the Secretariat from nine to four. The new divisions are (1) Globalization and Development; (2) Services Infrastructure for Development and Trade Efficiency; (3) Investment, Enterprise Development, and Technology; and (4) International Trade in Goods and Services, and Commodities. UNCTAD does not have a field structure of permanent country offices.

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## Governance

UNCTAD's conference, the organization's highest policy-making body, meets every 4 years. The Trade and Development Board is the executive body of UNCTAD and normally meets once a year. Its membership is composed of every member of the conference that wishes to be a member; the board currently has 138 members. The board is assisted in its work by the Working Party on the Medium-Term Plan and the Program Budget. The working party has 19 elected members. The United States is an elected member of the working party.

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## Major Program Areas

The 1996 UNCTAD conference declared that UNCTAD has a comparative advantage in addressing trade-related development issues and that UNCTAD should continue to facilitate the integration of developing countries and those countries in transition in the international trading system. The conference outlined the focus of UNCTAD's analytical and deliberative work for the next 4 years.

## Financial Resources

UNCTAD's core operating expenses are funded through the U.N. regular budget. UNCTAD does not receive direct assessments or voluntary contributions to fund its regular budget. However, it receives extrabudgetary funds from other sources, such as bilateral donors, trust funds, and funds from UNDP, as shown in table IV.1. UNCTAD officials said that UNCTAD, as an entity of the U.N. General Assembly, may not borrow money. The United States pays 25 percent of the regular U.N. budget.

Table IV.1: UNCTAD's Budget

Dollars in millions			
Type of funding	1992-93 budget expenditure	1994-95 budget appropriation	1996-97 budget estimate
Regular budget	\$100.1	\$113.6	\$124.1 <sup>a</sup>
Extrabudgetary contributions	45.1	43.8	43.2
<b>Total</b>	<b>\$145.2</b>	<b>\$157.4</b>	<b>\$167.3</b>

<sup>a</sup>In December 1996, UNCTAD further reduced its budget to \$110.2 million.

Source: U.N. Secretariat.

As part of the U.N. Secretariat, UNCTAD's budget is allocated from the U.N. budget. The United States pays 25 percent of the total U.N. budget and does not pay a separate assessment for UNCTAD.

However, U.S. executive branch agencies provided \$0.6 million for fiscal year 1995 in extrabudgetary contributions for specific UNCTAD programs. Information on fiscal year 1996 contributions was not available at the time of our review.

## Personnel

UNCTAD currently employs 19 U.S. citizens, or about 4 percent of UNCTAD's staffing level for 1996-97. The total number of UNCTAD staff posts is shown in table IV.2.

Table IV.2: Number of UNCTAD Staff Posts

Type of staff	1994-95	1994-95	1996-97
Professional	288	258	258
General services	222	196	193
<b>Total</b>	<b>510</b>	<b>454</b>	<b>451</b>

Source: UNCTAD.

In December 1995, the U.N. Office of Internal Oversight Services issued a report on UNCTAD, which noted that the head offices of the nine divisions within UNCTAD were large and top heavy. The report added that most divisions appeared to be overstaffed at the professional and general services levels. The report attributed the staffing problem to the existence of nonperforming personnel who were accommodated in separate units or by expanding the size of the head offices within the divisions. These personnel, according to the report, were the result of a mismatch of staff capabilities at a time of changing program demands.

In response, the UNCTAD Secretary General announced in April 1996 plans to create a leaner organizational structure. His plans included a 25-percent reduction at the senior level and staffing changes to reflect current staff skill requirements. According to the State Department, during the 1996 UNCTAD Conference, the UNCTAD Secretary General also announced plans to cut professional and general services staff by 6 percent in 1996-97. State Department officials noted that the success of these plans will depend on how well they are implemented.

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## **Collaboration With Other International Organizations**

Various aspects of UNCTAD's work overlaps with that of other international organizations, particularly the U.N. economic commissions, the International Trade Center, WTO, and the World Bank. UNCTAD's approach to coordination with these organizations has been on a project-by-project basis (e.g., a debt management program with UNDP and the World Bank and a manual, *Blueprint for Green Accounting*, with the World Bank). The U.N. Office of Internal Oversight Services' December 1995 report was critical of the level of coordination between UNCTAD and other international organizations. In particular, the report called for better integration of UNCTAD's work with other parts of the U.N. system. According to UNCTAD, the General Assembly's Committee for Program and Coordination, of which the United States is a member, has primary responsibility for ensuring that proper coordination takes place within the U.N. Secretariat and with U.N. Secretariat entities.

UNCTAD has recently attempted to better coordinate with WTO and the International Trade Center and cooperate better with the World Bank. For example, the 1996 UNCTAD Conference participants agreed to coordinate UNCTAD's technical cooperation programs more closely with WTO and the International Trade Center, and UNCTAD and WTO have agreed to take some steps to more closely coordinate their activities in support of developing countries that wish to accede to WTO. Also, as part of a U.N. systemwide

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Special Initiative on Africa, UNCTAD, WTO, and the International Trade Center have developed a plan of action for increasing Africa's export-oriented production and improving of export diversification and markets. According to World Bank officials, in the fall of 1995, the Secretary General of UNCTAD met with World Bank officials and called for closer collaboration between the two institutions. Bank officials described the action as improving the atmosphere between the two organizations and thus an important first step.

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## **U.S. Participation in UNCTAD**

The State Department and the Office of the U.S. Trade Representative are the lead agencies for UNCTAD within the U.S. government. According to a State Department official, an informal interagency working group meets as needed in relation to meetings of the Trade and Development Board or UNCTAD's quadrennial conference to approve guidance for the meeting or comment on a policy paper. Members of the group include the Office of the U.S. Trade Representative, the Departments of Agriculture, Labor, Commerce, Justice, State, and Treasury; and the Security and Exchange Commission.

The United States believes UNCTAD should have a single purpose—to help developing countries in their integration into the global economic system. To accomplish this goal, U.S. officials state that UNCTAD must focus on a small number of priority activities that provide practical assistance to developing countries. An additional U.S. goal for UNCTAD is to make UNCTAD complementary to, not competitive with, WTO.

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# U.N. Population Fund

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In 1966, the U.N. General Assembly authorized the United Nations to provide technical assistance in the population field. The U.N. General Assembly established a special fund for population activities in 1967, which was later named UNFPA. Currently, UNFPA is the largest internationally funded provider of population assistance to developing countries. All contributions to UNFPA are voluntary.

UNFPA's role is to build the capacity to respond to the needs in population and family planning; promote awareness of population factors, such as population growth, fertility, mortality, age structure, spatial distribution, and migration; assist governments in developing population programs and projects and provide financial assistance for their implementation. UNFPA provides financial and technical assistance to developing countries at their request.

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## Organizational Structure

UNFPA is a subsidiary component of the United Nations and is subject to the direction of the U.N. General Assembly. The governing body of UNFPA is the UNDP/UNFPA Executive Board, which is composed of 36 member states elected by the U.N. Economic and Social Council. The United States is currently a member of the board. UNFPA's chief executive is the Executive Director, who is appointed by the U.N. Secretary General normally for a 4-year term. The Executive Director manages UNFPA under the direction of the board and is fully accountable to it for all aspects of UNFPA's operations.

The Executive Board provides general policy guidance and direction for UNFPA and has overall responsibility for ensuring that UNFPA resources are employed with maximum effectiveness and efficiency in assisting countries in their population activities and programs. The board also has responsibility for financial and administrative policies relating to UNFPA's work program, fundraising methods, and annual budget. UNFPA submits its own budget estimates and operates under the financial regulations approved by the board. Each year, the U.N. Economic and Social Council receives a report from the board outlining decisions on UNFPA matters. The U.N. Economic and Social Council forwards this report to the General Assembly for its consideration.

UNFPA has 4 regions—Africa, Arab States and Europe, Asia and the Pacific, and Latin America and the Caribbean—and has 100 field offices—15 in the Arab States, 44 in sub-Saharan Africa, 23 in Asia and the Pacific; and 18 in Latin America and the Caribbean. Of the 100 field offices, 66 are headed by

a resident UNFPA representative, and 34 are headed by the country resident UNDP representative, who is concurrently the UNFPA representative. At the end of 1995, UNFPA was implementing 2,479 projects—1,910 country and 569 intercountry. UNFPA's projects are largely implemented by member organizations of the U.N. system, nongovernmental organizations, and national governments themselves. UNFPA's own role in project implementation is mainly to provide procurement assistance in support of government-implemented projects, procure equipment and supplies for UNFPA implemented activities, and contract for personnel services.

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## Major Program Areas

In 1994, the United Nations convened the International Conference on Population and Development in Cairo. UNFPA and the Population Division of the U.N. Department for Economic and Social Information and Analysis constituted the Secretariat for the conference and were heavily involved in the 3 years of preparatory activities leading up to the conference. The 183 countries attending the conference adopted by consensus the International Conference on Population and Development Program of Action, which included recommendations for stabilizing the world's population.

In the months after the conference, UNFPA examined the policy and program implications of the action plan, particularly as they related to UNFPA's policy orientations, program focus, and operational strategies. UNFPA identified those components of the action plan for which it has a comparative advantage and formulated a mission statement to serve as the basis of its activities over the next 20 years. The mission statement proposes that UNFPA assistance be used to (1) help ensure universal access to sexual and reproductive health, including family planning to all couples and individuals, by 2015; (2) support population and development strategies that develop the capacity to do population programming; and (3) promote awareness of population and development issues and advocate for the mobilization of the resources and political will necessary to accomplish UNFPA's work.

Currently, about two-thirds of UNFPA's funds are for reproductive health, including family planning. Activities range from support for contraceptive research and production to training, infrastructure, logistics, and expansion and improvement of service delivery. Other priority areas include information and education activities, population data collection and analysis, research on demographic and socioeconomic relationships, policy formulation and evaluation, and programs to improve the situation

of women. Special efforts are also undertaken in the areas of AIDS control and prevention and population and the environment.

Since the International Conference on Population and Development in 1994, UNFPA has revised its approach for the allocation of resources to country programs. The conference laid out specific longer term goals in three major areas: access to reproductive health; mortality reduction in women and children; and universal education, especially for girls.

UNFPA's revised system for allocating resources categorizes countries into three groups according to their needs for specific types of assistance and circumstances with regard to the progress they have made in meeting the conference's goals. For example, countries in the highest priority group must have the greatest distance from achieving the goals of the conference and low levels of development. Under the previous system of allocation, the countries in this group received 51 percent of program resources. Under the new allocation system, the share should go up to at least 67 percent. Within each group of countries, the actual level and type of resources made available would primarily reflect UNFPA's comprehensive assessment of the country's actual needs and capacities.

## Financial Resources

UNFPA is a voluntarily funded organization. It receives funds from donor countries in support of programs in reproductive health, including family planning, population and development, and advocacy. The Executive Board is responsible for approving each year the program expenditure, which is based on income projections, prior commitments, and foreseeable needs. If the funds are not spent during a given calendar year, the remaining funds are carried over to the next year. Tables V.1 and V.2 show UNFPA's budgetary information for 1992 through 1997.

Table V.1: UNFPA's Budget

Dollars in millions			
Type of funding	1992-93	1994-95	1996-97
Regular budget	\$397.0	\$586.4	\$642.4
Extrabudgetary contributions	19.9	28.5	31.4
<b>Total</b>	<b>\$416.9</b>	<b>\$614.9</b>	<b>\$673.8</b>

Source: UNFPA.



**Table V.2: U.S. Contributions to UNFPA**

Dollars in millions

Type of funding	Fiscal year		
	1993	1994	1995
Regular budget	\$14.5	\$40.0	\$35.0

Note: Information on fiscal year 1996 contributions was not available at the time of our review.

Source: U.S. executive branch agencies.

## Personnel

In February 1996, UNFPA had 188 professional posts reserved for international staff; 166 posts were occupied and 22 were vacant. At that time, 107 of the posts were in headquarters and 81 were in the field. U.S. citizens held 20 of these posts. Tables V.3 and V.4 provide details on UNFPA's overall staffing and the distribution of staff between headquarters and the field.

**Table V.3: Number of UNFPA Staff Posts**

Type of staff	1992-93	1994-95	1996-97
Professional	293	304	329
General services	519	533	590
<b>Total</b>	<b>812</b>	<b>837</b>	<b>919</b>

Source: UNFPA.

**Table V.4: Location of UNFPA Staff Posts**

Location	1992-93	1994-95	1996-97
Headquarters	257	244	244
Field	555	593	675
<b>Total</b>	<b>812</b>	<b>837</b>	<b>919</b>

Source: UNFPA.

## Collaboration With Other International Organizations

UNFPA has developed an array of mechanisms and relationships for coordinating its programs. Coordination is essential for UNFPA to perform its mission, particularly with other U.N. agencies and the World Bank. UNFPA is primarily a funding agency for country-level activities. UNFPA must identify the expertise of executing agencies—primarily other U.N. agencies and recipient governments—and seek collaboration in implementing its own program. Additionally, UNFPA has the lead role in monitoring and following up on the International Conference on

Population and Development's Program of Action at the country, regional, and global levels. UNFPA's mandate from the conference creates extensive areas of potential overlap with other U.N. agencies, the World Bank, IMF, and bilateral donors.

An example of a coordination mechanism at the country level is the Program Review and Strategy Development Statement, which UNFPA has developed for more than 40 recipient governments. The statement assists (1) the government in developing or strengthening a national population program strategy and becoming self-reliant in the formulation and implementation of population policies and programs and (2) UNFPA, nongovernmental organizations, and other donors in delineating their programs for external assistance. Developing a strategy provides UNFPA with an opportunity for discussions with the recipient country and other multilateral and bilateral donors.

UNFPA also has eight multidisciplinary teams in the field to assist in the delivery of technical assistance at the country level. The teams are led by UNFPA staff, but team members are typically staff from other U.N. agencies, such as WHO, ILO, the Food and Agriculture Organization, and UNESCO.

UNFPA's coordination mechanism with the World Bank is ad hoc. According to UNFPA and World Bank documents, extensive cooperation takes place at headquarters and in the field. The World Bank describes the collaboration as including senior interagency meetings, field contact, co-financing of projects, cooperation on multidonor projects, consultation on complementary objectives, and consultations on in-country activities.

The documents of the two organizations describe numerous collaborative efforts. For example, UNFPA and the World Bank recently agreed that in those countries where the bank has already carried out comprehensive surveys and evaluations in the reproductive health and population sector, UNFPA would use these products in its own planning and programming work. Another example cited was that UNFPA's Africa Division holds annual consultative meetings with the bank to identify and promote opportunities for collaboration on population issues and for support of regional and country programs. At the field level, UNFPA has regularly participated in World Bank meetings and workshops held in Dhaka, Bangladesh, to strengthen collaboration and coordination of program inputs. UNFPA has also procured contraceptives and equipment funded through a World Bank project. However, UNFPA also reported that, in all regions, considerable intraregional variations in its relations with the bank exist, ranging from

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frequent contacts and regular collaboration to no contacts or common activities.

Despite extensive collaboration between UNFPA and the World Bank, particularly in Asia and the Pacific and Africa, coordination at the operational level is on a project basis. There is no formal agreement or memorandum of understanding on collaboration. A UNFPA document stated that UNFPA wants to institutionalize relations at the division and country levels to a greater degree than before and thereby avoid the fluctuations in relations that tend to occur. A World Bank document states that the bank prefers establishing collaboration on a project and country basis.

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## U.S. Participation in UNFPA

Although the United States has stressed the importance of population objectives within the overall context of sustainable development, it has not issued a policy detailing U.S. objectives for UNFPA. However, officials at USAID and State clearly indicated that U.S. support for the work of UNFPA and the International Conference on Population and Development's Program of Action was a high priority. USAID and State Department officials stated that the U.S. national interests in UNFPA's program stem from U.S. objectives to (1) minimize the negative consequences of rapid population growth, such as political crises associated with economic stagnation, pressures from migration, pressures on the world food supply, and environmental degradation and (2) maximize the positive consequences of slower population growth and smaller family size, such as better health for women and children, trade and economic opportunities for the United States, improved environmental quality, and a better chance for political institutions to be able to deal with challenges and move toward democracy. USAID officials state that the agency regards UNFPA programs as generally complementary to the activities supported under the bilateral U.S. population assistance program, which provides assistance in a more limited number of countries than UNFPA. A USAID document indicated that USAID's objectives incorporate principles from the conference's action plan. The document also states that USAID should maintain a close working relationship with UNFPA in the population sector.

U.S. support for UNFPA has been shaped by various provisions in the Foreign Assistance Act of 1961, as amended, as they apply to U.S. bilateral programs in population and family planning. In 1985, the Congress passed an amendment to the Foreign Assistance Act, which prohibited the United States from providing assistance to any organization that supported or participated in the management of a program of coercive abortion or

involuntary sterilization. That same year, the USAID Administrator determined that U.S. assistance to UNFPA would violate that amendment. The Administrator found that, although UNFPA neither supported nor promoted abortion or coercion, UNFPA's support for the Chinese government's family planning program would render UNFPA ineligible for U.S. funds. As a result, from fiscal year 1986 until fiscal year 1993, the United States made no further contribution to UNFPA.

In 1993, USAID Administrator found that U.S. support of UNFPA was not in violation of the amendment. As of December 1995, UNFPA's current program in China was completed, and China and UNFPA were discussing whether UNFPA would have a follow-on program. UNFPA's position is that, as a U.N. intergovernmental agency, it is required to provide assistance if governments request and qualify for it, assuming that it is in areas in which UNFPA provides assistance and the governments agree to abide by international standards and principles. As of June 1996, no decision had been made regarding a follow-on program. The executive branch has stressed that it would oppose any further UNFPA programs in China.

# Comments From the Department of State



United States Department of State

*Chief Financial Officer*

*Washington, D.C. 20520-7427*

March 5, 1997  
(Revised)

Dear Mr. Hinton:

We appreciate the opportunity to provide Department of State comments on your draft report, "STATE DEPARTMENT: "UNITED NATIONS: U.S. Participation in Five Affiliated International Organizations," GAO/NSIAD-97-02, GAO Job Code 711167.

The Department finds this report provides a fair and objective review of issues related to U.S. participation in WHO, PAHO, ILO, UNCTAD, and UNFPA.

If you have any questions concerning this response, please call Ms. Julia Albrecht, IO/S/SC, at (202) 647-4826.

Sincerely,

  
Richard L. Greene

cc:

GAO - Mr. Richardson  
STATE/IO/S/SC - Ms. Albrecht

Mr. Henry L. Hinton, Jr,  
Assistant Comptroller General,  
National Security and International Affairs,  
U.S. General Accounting Office.

# Comments From the U.S. Agency for International Development



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

NOV 14 1996

Mr. Henry L. Hinton, Jr.  
Assistant Comptroller General  
National Security and International Affairs Division  
U.S. General Accounting Office  
441 G Street, N.W. - Room 4039  
Washington, D. C. 20548

Dear Mr. Hinton:

I am pleased to provide the U.S. Agency for International Development's (USAID's) formal response to the draft GAO report entitled "UNITED NATIONS: U.S. Participation in Five Affiliated International Organizations" (October 1996).

USAID commends GAO on the draft report. Our review found it to be a balanced assessment of U.S. participation in the five international organizations. USAID works closely with many of the organizations, and we concur with the principal conclusions of the draft report, i.e.:

- Each of the five international organizations is pursuing policies and programs which are consistent with U.S. foreign policy objectives and complementary to U.S. bilateral assistance programs;
- It would be virtually impossible for U.S. federal agencies or private institutions to perform the mandates of these international agencies; and
- Each of the five international agencies are responding favorably, albeit slowly in some cases, to UN management reform measures supported by the United States.

U.S. participation in these international agencies is vital to protecting U.S. interests and ensuring that the policies and programs of these agencies are consistent with U.S. foreign policy. Without its financial and technical involvement, the United States cannot exercise needed leverage on these issues.

320 TWENTY-FIRST STREET, N.W., WASHINGTON, D.C. 20523

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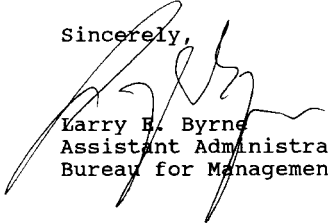
**Appendix VII  
Comments From the U.S. Agency for  
International Development**

2

We have provided specific technical comments on the draft as an enclosure.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this review.

Sincerely,



Larry B. Byrne  
Assistant Administrator  
Bureau for Management

Enclosure: As stated

# Comments From the Department of Health and Human Services

Note: GAO comment supplementing those in the report text appears at the end of this appendix.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

JAN 15 1997

Mr. Harold J. Johnson  
Associate Director, International  
Relations and Trade Issues  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Johnson:

The Department has carefully reviewed your draft report entitled, "United Nations: U.S. Participation in Five Affiliated International Organizations." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department also provided extensive technical comments directly to your staff.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in cursive script that reads "June Gibbs Brown".

June Gibbs Brown  
Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.



**Appendix VIII  
Comments From the Department of Health  
and Human Services**

Comments of the Department of Health and Human Services on the General Accounting Office (GAO) Draft Report, "United Nations: U.S. Participation in Five Affiliated International Organizations"

Thank you for the opportunity both to contribute to and comment on the GAO report of U.S. participation in five of the largest United Nations organizations, including the World Health Organization (WHO) and the Pan American Health Organization, the agencies of primary interest to this Department.

Your staff did a commendable job on this report. Overall, the report is balanced, unbiased, and with conclusions based on information from a number of important and appropriate sources.

I would like to draw your immediate attention to the following points of particular concern to us:

- (1) With respect to the World Health Organization, we believe the report does not adequately address what we believe is the issue of WHO's current lack of effective leadership. We and other ministries of health are deeply concerned about this leadership issue and are now working together to identify candidates for the next election for the Director-General post in 1998. In the meantime, it is essential, from both global and domestic health perspectives, that we endeavor to assure that WHO is as effective as possible in meeting critical functions of the organization. These include, inter alia, many normative functions, discussed below, as well as such programs as the Expanded Program on Immunization, which is working with countries toward global polio eradication, and the WHO program on emerging and re-emerging infectious diseases.
- (2) We believe there should be greater emphasis in the report on the importance of WHO's emerging and re-emerging infectious diseases program. This is a high priority for the U.S. Government, as indicated by a recent Presidential Decision Directive on this issue. We are clearly in a period of globalization and can no longer think in terms limited to the Nation's borders. The United States must strongly support the concept of globalization and the responsibility that must be taken by all countries, for the sake of each and for the sake of all. The U.S. cannot take on the world's responsibilities, but must engage in and help foster global efforts, and help assure that the World Health Organization is as effective as possible in its very special role in building consensus among countries and promoting country-level, regional, and global actions.

See comment 1.

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**Appendix VIII**  
**Comments From the Department of Health**  
**and Human Services**

Page 2

- (3) We believe that the report does not give any real attention to WHO's normative functions. This would include, for example, the development and maintenance of the International Statistical Classification of Diseases and other Related Health Problems, commonly known as the ICD. This is the internationally recognized compilation of diseases and medical disorders. It is an essential tool for comparisons between countries at the same point in time and enables WHO Member States to gather and process comparable statistics for decision-making in disease prevention and health care, and facilitates the collection of epidemiological data for research purposes. Other normative functions include the international health regulations, standards for shipment of human remains in international commerce, standards for vaccines and biological products, and more. While the U.S. contributes substantially to these processes through its expertise, the role of the WHO is a pivotal one.

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**Appendix VIII  
Comments From the Department of Health  
and Human Services**

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The following is GAO's comment on the Department of Health and Human Services' letter dated January 15, 1997.

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**GAO Comment**

1. Our report recognizes and provides a number of examples of the importance of WHO's programs and normative functions. The additional examples provided by the Department have been considered and have reinforced our conclusion.

# Comments From the Department of Labor

**U.S. Department of Labor**

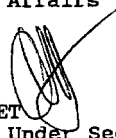
Deputy Under Secretary for  
International Affairs  
Washington, D.C. 20210



November 6, 1996

**BY FAX:**  
(202) 512-9088

MEMORANDUM FOR LEROY RICHARDSON  
Assistant Director,  
National Security and  
International Affairs  
US GAO

FROM: ANDREW J. SAMET   
Acting Deputy Under Secretary

SUBJECT: Comments on Draft Report "United Nations, U.S.  
Participation in Five Affiliated International Organizations"

I am responding for the Department of Labor (DOL) with comments on the sections of the report dealing with the International Labor Organization (ILO). We appreciate the opportunity to respond.

The DOL believes that the GAO has produced a comprehensive report that fairly and objectively reviews the issues the USG has with the ILO. The Administration's goals and objectives for the ILO are accurately described in the report. Our comments relate to minor issues or provide factual corrections.

See p. 1.

Page 1: While some reform initiatives have only been recently adopted, the ILO implemented some several years ago and they are now being evaluated.

Now on p. 3.

Page 4: Table 1, fourth column. "Employee Groups" are referred to as "worker groups" in the ILO.

Now on p. 4.

Page 6: First Paragraph. The ILO adopts international labor standards concerning working conditions. Using the term "minimum" could have negative implications, particularly with regard to the Administration's efforts to link labor standards with economic development. The term "international labor standards" is more neutral.

Now on p. 17.

Page 23: In the last bullet, add that the duration and frequency of Governing Body meetings has been reduced.

Now on p. 18.

Page 24: Last Paragraph: under (1) please note that it was the US State Department in 1991 that insisted that the ILO change its budget calculations from US Dollars to Swiss Francs, thus

*Working for America's Workforce*

**Appendix IX**  
**Comments From the Department of Labor**

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exposing all dollar-based currencies to exchange rate losses. Prior to 1991, the ILO's budget was determined in USDollars which placed the exchange rate burden on the ILO.

Now on p. 23.

Page 31: First paragraph. Did the GAO interview anyone at the AFL-CIO? The ILO is tripartite, with workers and employers having an equal voice with governments. While reference is made to interviews with the US Council for International Business, none are mentioned with worker representatives.

Now on p. 43.

Page 54: The executive board equivalent in the ILO is the "Governing Body"

Now on p. 45.

Page 56: Some additional senior positions held by Americans include: Chief of Publications, Chief of Public Information, Chief of Information Technology and Communications, and Chief Librarian.

# Comments From the World Health Organization

WORLD HEALTH ORGANIZATION



ORGANISATION MONDIALE DE LA SANTE

Téléphone Central/Exchange: 791 21 11  
Direct: 791 23 11

In reply please refer to: ADG  
Prière de rappeler la référence:

Your reference:  
Votre référence:

Mr Harold J. Johnson  
Associate Director, International  
Relations and Trade issues  
United States General Accounting Office  
Washington, D.C.20548

16 December 1996

Dear Mr Johnson,

Thank you for your fax of 10 December 1996 enclosing relevant portions of GAO's draft report on US participation in five affiliated international organizations.

The report represents a serious study of the benefits of US participation in the organizations. The findings related to the capacity of the organizations to set standards, to collect, analyse and disseminate information and to provide opportunities for joint research should prove useful to decision makers. The identification of the ability of the organizations to operate where it would be difficult or impossible for a United States federal agency or a private institution to perform is an important conclusion.

Lives and money are lost when there is no international cooperation to curb epidemics and other health risks. Conversely, health costs and risks to all can be diminished by cooperation among nations, as happened in the control of the Ebola outbreak in Kikwit, Zaire in 1995 and in the major global polio eradication campaign currently underway. WHO's role is to marry modern science, medicine, and public health techniques to achieve maximum benefit for the health of all the peoples in the world.

With respect to the content of the report concerning WHO, I would like to clarify two underlying issues - the regional structure of WHO and reform in the organization - which I believe are essential to a full understanding.

The Constitution of WHO provides for the establishment of regional organizations. As the report points out, PAHO serves as WHO Regional Office for the Americas. To this end, about 10% of WHO's regular budget is dedicated to activities carried out under the dual designation of PAHO/WHO Regional Office for the Americas. It is important to recognize that the activities in the region of the Americas of WHO and PAHO are thus extensively intermingled.

J.

**Appendix X  
Comments From the World Health  
Organization**

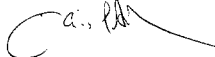
Mr Harold J. Johnson, Washington  
ADG

Page 2  
16 December 1996

The reform agenda has been of primary importance in WHO since 1993 and it is our view that considerable progress has been made. Management and administrative improvements have been undertaken throughout the Organization and many of these are listed in the report. We are working extensively on policy direction for the 21st century. We do not therefore share the view that the pace of our reform has been slow in comparison to some other entities, given the global nature of our mandate.


The United States was a founding member of WHO in 1948 and of PAHO in 1902. WHO's activities and successes in many fields reflect strong and continuing involvement and leadership by the US public and private sectors over the years. WHO's effectiveness will continue to depend on close cooperation and reliable participation by the United States.

Yours sincerely,

  
Denis G. Aitken  
Assistant Director-General

# Comments From the Pan American Health Organization

Note: GAO comment supplementing those in the report text appears at the end of the appendix.



**PAN AMERICAN HEALTH ORGANIZATION**  
*Pan American Sanitary Bureau, Regional Office of the*  
**WORLD HEALTH ORGANIZATION**

525 TWENTY-THIRD STREET, N.W., WASHINGTON, D.C. 20037-2695, USA

CABLE ADDRESS: OFSANPAN  
FAX (202) 223 5971  
TELEPHONE (202) 861 3200

IN REPLY REFER TO:

8 November 1996

Mr. Harold J. Johnson  
Associate Director, International  
Relations and Trade Issues  
National Security and International Affairs Division  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Johnson:

Thank you for the opportunity for the Pan American Health Organization (PAHO) to provide comments on the draft GAO report entitled United Nations: U.S. Participation in Five Affiliated International Organizations (GAO/NSIAD-97-02).

As a general observation, I wish to commend your Office for a thorough and accurate analysis of the importance of PAHO in serving Hemispheric as well as U.S. national interests. Since 1902, PAHO has worked diligently to promote sound public health policies and programs in the Americas and has supported its Member States as they have worked towards their goal of Health for All. We also take great pride in being one of the best managed international organizations, as suggested in your report.

The draft report includes numerous examples of how PAHO also serves the U.S. national interest. I would like to cite another recent example. PAHO played a key role in the Summit of the Americas process by working with the White House, the Department of State, and the U.S. Agency for International Development in negotiating with Member Governments and civil society actors to define the language for the Health Initiative of the Americas, Initiative 17 on "Equity Access to Health Services". We also worked closely with the Environmental Protection Agency in the definition of Initiative 23, "Partnership on Pollution Prevention", as well as played an instrumental role in the preparation and follow-up of the First Ladies' Symposium on the Health and Education of the Children of the Americas. In addition, PAHO hosted two Ministerial-level hemispheric Conferences in 1995: the Conference on Health Sector Reform, and the Pan American Conference on Health and Environment in Sustainable Development. We have worked closely with the Bolivian and U.S. governments in all activities related to the Conference on Sustainable Development to take place in Santa Cruz in December, and the First Ladies' Summit that will occur in La Paz immediately before. These represent several additional examples of



**Appendix XI  
Comments From the Pan American Health  
Organization**

2

how PAHO, in its role as an international organization, can bring together the countries of this Hemisphere in areas that are of importance to the United States. PAHO's extensive cooperation activities with European governments provide ample opportunities for interaction with U.S. counterparts. In its role as coordinator of health efforts in the Americas, PAHO identifies opportunities for joint European-U.S. initiatives, at the same time ensuring that there is no duplication but rather that all partners complement each other towards the achievement of the objectives of Health for All in the Hemisphere.

I would like to respond to several specific issues raised in your report, and then clarify a few of the factual statements made in the report.

1. Page 19 of the draft report states: **"Until 1995, the organization has had sufficient resources to fund its operations and was reluctant to establish specific priorities for its program and budget."**

I would like to point out that PAHO, for the past twelve years, has used a carefully constructed set of strategic priorities to form the basis of our programming and budgeting processes. These Strategic and Programmatic Orientations (SPOs) have been approved by PAHO's Governing Bodies. Within these SPOs, country and regional programs are tailored to their specific health needs. For example, Chagas' disease is a serious problem in Brazil and in some countries of the Andean region, but not in Central America. In light of this fact, it is difficult to eliminate whole programs, as sometimes suggested by those who view the setting of priorities in this context. I can assure you that the rigor of our process of establishing strategic priorities, programming activities against those priorities, identifying the expected results, and evaluating the actual results is an exemplary one.

2. Page 20 (and page 40) states: **"In late 1995, the organization experienced a shortfall because of late or nonpayment of regular budget assessments. The United States, PAHO's largest contributor, was unable to make its last quarter payment. As a result, the organization borrowed from internal funds. The United States has since paid its assessment in full for 1995."**

First, it is important to note that the funding situation in 1995 required us to use a significant portion of our Working Capital Fund to meet program requirements. This is the purpose of such a fund. With the cost-saving measures put into place in 1996 and assuming the timely and full payment of quotas, we intend to replenish a significant portion of the Fund during this biennium. Therefore, I propose that the sentence beginning on the fourth line of page 20 be modified to read, **"As a result, the Organization had to draw down its Working Capital Fund to cover the shortfall."** Second, with respect to the U.S. payment, our records indicate that the United States still has cumulative arrearages of approximately \$11 million.

3. Page 20 also states: **"Although the outlook for additional funds to support its 1996 operations appeared negative, the organization refused to adopt the zero**

See comment 1.  
Now on p. 16.

Now on pp. 16, 40.

Now on p. 16.

**Appendix XI  
Comments From the Pan American Health  
Organization**

3

**growth budget policy. PAHO approved a 2.5 percent increase of its 1996-97 budget. The United States was the only member to vote against this increase.”**

While this statement is factually correct, it is important to note that the Organization reduced its original 1996-97 budget proposal from an increase of 7.5% (no real growth) to an increase of only 2.5% (or a real reduction of 5%), primarily at the urging of the United States. It thus marked the third consecutive biennium that PAHO's budget **decreased** in real terms. The other member governments of the Organization were willing to accept this reduced level.

The following paragraphs provide clarification and/or additional information with respect to factual statements made in the report.

Page 9 discusses how these organizations promote jobs and investment opportunities for U.S. citizens. As mentioned in the GAO report, PAHO's presence in the Washington, D.C. area not only has a very positive impact on procurement expenditures by the Organization in the U.S. (\$18 million in 1995), but also on the local economy as a result of PAHO's \$35 million annual headquarters payroll. It should also be mentioned that PAHO relies heavily on the involvement of the U.S. academic community, the Centers for Disease Control and Prevention, the National Institutes of Health, the Department of Defense, the U.S. Agency for International Development, and U.S. non-governmental organizations, in the execution of its technical cooperation activities. In addition, PAHO has 240 collaborating centers in the Americas, of which 150 are in the U.S. With respect to Americans employed by PAHO, 16 % of PAHO's international staff are U.S. citizens, well above the 6% average for all five Organizations reviewed in the report. Many of the senior management positions, including the Deputy Director of PAHO and the Chief of Administration, are held by Americans.

As the report mentions on page 20, the permanent effort by PAHO to review its Program and Budget included the recent conduct of external reviews of two of its programs, environmental health and veterinary public health. The results of these studies will be presented to PAHO's Directing Bodies in the near future. Preliminary results of the Veterinary Public Health Program review present a clear indication of a very successful and useful program in terms of its role in analyzing the impact of the quality of animal products in human consumption, as well as in the establishment of quality control in the movement of food between countries. This activity becomes even more crucial in the context of the process of establishment of a Free Trade Zone of the Americas for 2005. The review concluded that no other institution in the Americas does this work, or is able to perform it.

The draft report does not specifically address the management of PAHO's senior positions. With only three ungraded and two D-2 positions, it should not be a surprise that there have been no changes in these positions in the recent past. PAHO also follows a very controlled system for promotions from the P-5 to P-6 levels that follows specific policy guidelines. We are proud of our efforts in a modernization process that has also

Now on p. 6.

Now on p. 16.

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**Appendix XI  
Comments From the Pan American Health  
Organization**

4

included a continuous process of decentralization, and the flattening of the Organization, to a level not comparable to any other UN agency.

Finally, Appendix II (page 40) incorrectly states that women make up 16% of the total number of employees. In fact, women make up 58% of the total PAHO-funded workforce, as well as 34% of total professional positions. Indeed, over the past four years, women accounted for 48% of the professionals recruited into PAHO. The 16% mentioned in Appendix II most likely refers to the percentage of total PAHO positions held by U.S. citizens.

Thank you for the opportunity to comment on the draft report.

Sincerely yours,



George A.O. Alleyne  
Director

Now on p. 41.

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The following is GAO's comment on the Pan American Health Organization's letter dated November 8, 1996.

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## **GAO Comment**

1. We recognize that PAHO and the other four organizations have strategic priorities and objectives incorporated in their workplans. However, when faced with budgetary constraints, any organization, governmental or nongovernmental, should identify lower priority programs and activities so that they can be appropriately adjusted in line with available resources. Our report does recognize, and PAHO has acknowledged, that the organization recently conducted reviews of some of its programs and activities to address the issues we presented in this report.

# Comments From the International Labor Office

Note: GAO comment supplementing those in the report appears at the end of this appendix.

Now on p. 21.



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ANTHONY G. FREEMAN  
DIRECTOR

JEAN H. DECKER-MATHEWS  
ASST. DIRECTOR

JOHN R. BYRNE  
ASST. DIRECTOR

November 8, 1996

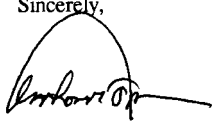
Mr. Harold J. Johnson  
Associate Director  
International Relations and Trade Issues  
U.S. General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Johnson:

On behalf of our headquarters in Geneva and the Washington branch office, I would like to express the appreciation of the International Labor Office for your courtesy of allowing us to comment on the segments of the draft report on UN-system organizations relating to the ILO. Attached you will find our **“general comments”** prepared for insertion on page 17 of the draft under the heading of “Agency comments”, as well as **“suggestions concerning corrections”** keyed to specific parts of the text aimed at improving the draft’s factual accuracy.

I also attach copies of the Governing Body papers referred to in our comments.

Again, we are very grateful to the GAO for affording us this opportunity and we remain at your disposition if there is any way we can assist you further in completing your report.

Sincerely,  
  
Anthony G. Freeman

cc: Mr. L. W. Richardson, GAO  
Mr. R. J. Boudreau, GAO

In the ILO -- established in 1919 and now a specialized agency associated with the United Nations — Government, Worker and Employer representatives of the world work toward peace through improved labor conditions and living standards.

**Appendix XII  
Comments From the International Labor  
Office**

**General comments by the ILO on the US General Accounting Office  
Draft Report on US Participation in Five Affiliated  
International Organizations**

(Comments as concerns the ILO)

(These comments have been prepared to be inserted on page 17  
of the existing draft text, under the heading "Agency comments")

Now on p. 21.

The ILO welcomes the Draft GAO Report which is based on a solid factual analysis. This report accurately highlights the reforms achieved by the ILO over the last 6-8 years. It mentions in particular the progress that has been made in reforming the work of the policy-making organs, in enhancing efficiency by means of improved program planning and monitoring systems, and in realizing economies in service and support activities, including documents processing and publications.

The ILO would like to place on record its appreciation of the continued support of the representatives of the United States Government in the ILO's Governing Body (together with that of the representatives of the other IMEC countries) with regard to the reform process. Indeed, because of this support, the process of managerial change and organizational reform in the ILO initiated by its top management has been more profound and more sustained than would otherwise have been the case.

Now on p. 2.

The ILO remains willing to continue to furnish information which may be required by organs of the United States Government or of the Congress, including in particular data relating to the State Department's key criteria concerning the evaluation of the benefits of United States membership in international organizations (which are specified in the footnote to page 3 of the GAO Report).

See comment 1.

One final comment may be appropriate on the issues of budgetary restraint. The data cited in the report in US dollars tend to give the misleading impression of significant budgetary increases. In fact, a large proportion of the expenditures of the Organization are in Swiss francs, a currency which has been appreciating against the US dollar. This explains the increase in the dollar value of the budget in recent years. In reality, the level of the ILO's regular budget at constant prices and exchange rates has significantly declined (by a factor of rather more than 12 percent) over the last 25 years (1971-96). During the same period the level of staffing at its headquarters in Geneva has decreased to an even greater extent (by some 22 percent). In contrast, the number of member States has increased from approximately 120 to 174, i.e. by 45 percent. Moreover, the range of advisory services and information services which the Office has to provide to constituents has greatly increased and become more complex in technical content.

If this discrepancy between the increasing demand for services and diminishing resources develops further, the ILO's usefulness to its constituents throughout the world in their pursuit of democracy and human rights, the alleviation of poverty and unemployment, and worker protection, could be seriously prejudiced. Equally, its contribution to the promotion of fair labor standards at the national level and in the global economy could be diminished. It is to be hoped that in highlighting the coherence between ILO objectives and United States interests, the GAO Report will contribute to arresting this trend.

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The following is GAO's comment on the International Labor Organization's letter dated November 8, 1996.

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## **GAO Comment**

1. With the use of the currency adjustment rates provided by ILO, we calculated ILO's real growth based on the projected inflation and changes in the exchange rate. We estimated a 2-percent decline in real terms in ILO's budget. The apparent 24-percent dollar increase between the 1994-95 and 1996-97 ILO budgets and the corresponding increase in the U.S. assessment are due primarily to changes in the U.S. dollar-Swiss franc exchange rate (i.e., the 25-percent strengthening of the Swiss franc relative to the dollar used in formulating the ILO budget).

# Comments From the U.N. Conference on Trade and Development

Note: GAO comment supplementing those in the report text appears at the end of this appendix.

CONFÉRENCE DES NATIONS UNIES  
SUR LE COMMERCE ET LE DÉVELOPPEMENT



UNITED NATIONS CONFERENCE  
ON TRADE AND DEVELOPMENT

CABINET DU SECRÉTAIRE GÉNÉRAL  
DE LA CNUCED

SECRETARY-GENERAL'S  
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Réf. N° :  
(à rappeler dans la réponse)

16 November 1996

Dear Mr. Johnson,

The Secretary-General of UNCTAD has asked me to reply on his behalf to your letter of 25 October 1996 forwarding the part on UNCTAD of the draft GAO report entitled **U.S. Participation in Five Affiliated International Organizations**.

As we received the report only on 4 November, just before I was scheduled to leave Geneva on a business trip, and Mr. Ricupero himself has been away, we regret we could not meet your original timetable for the preparation of our comments. As you suggested in your letter, we were, however, in touch with Mr. L. Richardson to make alternative arrangements.

... While our comments on the draft are attached, I think it is important to make two comments of a general nature. Firstly, while your report covers five organizations, including UNCTAD, account needs to be taken of the fact that UNCTAD is an integral part of the United Nations Secretariat, not completely autonomous, as are the other organizations covered by your report. This factor is important because, as we explain in our comments, UNCTAD has to follow the managerial policies and apply the administrative procedures set by the General Assembly, the Secretary-General of the United Nations (UNSG), and the Under-Secretary-General for Administration and Management on the UNSG's behalf. Consequently, reforms in UNCTAD depend to a significant degree on reforms encompassing the United Nations Secretariat as a whole and are not always the sole authority of the Secretary-General of UNCTAD.

The second general comment relates to source material used in writing the report. The report of the United Nations Office of Internal Oversight Services (OIOS) was obviously an important source. However, for the sake of completeness, other independent reports and reviews

/...

Mr. Harold J. Johnson  
Associate Director, International Relations  
and Trade Issues  
United States General Accounting Office  
Washington, D.C. 20548

See comment 1.



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**Appendix XIII**  
**Comments From the U.N. Conference on**  
**Trade and Development**

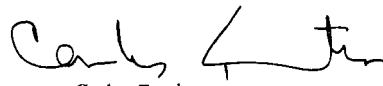
-2-

could have been used. As we explain in our comments, two other independent reports are noteworthy: firstly, the report by two independent high level consultants, who reviewed both the work programmes and the outputs of UNCTAD and the regional commissions; and secondly the Joint Inspection Unit's report on UNCTAD, which reviews institutional and programme issues, and is before the General Assembly at its ongoing session.

If any clarification is required please do not hesitate to get in touch with us. Your staff may contact in this regard, Mr. Victor P. Busuttil, Chief, Programme, Planning and Assessment Unit (victor.busuttil@unctad.org; tel. 041 22 907 4923).

Thank you for the opportunity to comment on the draft.

Yours sincerely,

  
Carlos Fortin  
Deputy Secretary-General

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**Appendix XIII  
Comments From the U.N. Conference on  
Trade and Development**

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The following is GAO's comment on the U.N. Conference on Trade and Development's letter dated November 16, 1996.

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**GAO Comment**

1. At the time of our fieldwork, the two studies referred to by UNCTAD had not been completed.

# Comments From the U.N. Population Fund

Note: GAO comment supplementing those in the report text appears at the end of this appendix.



**UNFPA FNUAP**

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UNFPA/ST/ADM/1996/10  
11 November 1996

11 November 1996

Dear Mr. Johnson,

Thank you for the draft report on U.S. participation in five of the largest international organizations, including UNFPA. We found it to be fair and constructive and we appreciate the professionalism and efficiency of the GAO team.

In the spirit of cooperation, I would like to comment on the report in order to clarify or expand on several points it addressed.

Neutrality

We are pleased to note the report's assessment of all five organizations as politically neutral. In the case of UNFPA, which operates in a sensitive area, the recognition of our neutrality has been critical to our effectiveness, and we continue to be guided by international goals, standards and legal instruments. This was reinforced again by the mandate we received from the 1994 International Conference on Population and Development.

Procurement

In addition to U.S. procurement, which is the result of fair bidding based on quality and cost, UNFPA relies heavily on numerous U.S. NGOs and academic institutions in the execution and provision of technical assistance and advice for its programmes around the world.

Emergency Services

UNFPA is also providing emergency services in Liberia, Bosnia-Herzegovina and is preparing to assist the refugees in Zaire as soon as the current fighting ends. UNFPA is working closely with

Mr. Harold J. Johnson  
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❖ TODAY'S CHOICES FOR TOMORROW'S WORLD ❖

See comment 1.



UNHCR, UNICEF and several NGOs in providing reproductive health services including family planning, assisted deliveries, HIV prevention, and counseling for women who are victims of violence, especially rape victims.

Reproductive Health

The report mentions that UNFPA provides about one-half of its programme resources for reproductive health. This figure is actually in excess of two-thirds. Under our project identification terminology, we include the term information, education and communication (IEC) which absorbs about 20 percent of UNFPA's programme budget. In fact, the bulk of UNFPA's IEC programming supports reproductive health in such areas as curriculum development for training medical professionals, patient education information and service delivery materials to help ensure informed consent and quality care.

Reform

In addition to the items noted on page 15 of the draft report the Fund is developing larger and fewer projects. This has been greatly aided by decentralizing to the country offices and the establishment of eight technical country support teams which are able to respond much quicker in providing specific technical assistance during programme and project formulation exercises. UNFPA is also revising its entire programme process under the guidance of an in-house task force. The revisions are designed to streamline procedures, enhance consistency throughout the programme cycle and strengthen accountability under decentralization. Thus, while the delegation of authority to our country offices will increase flexibility at the local level, UNFPA is careful not to compromise internal controls. An essential part of this approach is the improved internal audit coverage of country offices, which increased from five in 1992 to 54 offices in 1996. UNFPA also instituted a system of Policy Application Reviews in 1995 to test compliance of country offices with UNFPA policies and created an Oversight and Evaluation Unit to improve coordination among the various internal oversight functions. Finally, it should be noted that UNFPA's financial transparency has set the standard among U.N. development organizations for years and is frequently praised by the UNFPA Executive Board.

Coordination

UNFPA's commitment to coordination and collaboration is total. It strongly supports the U.N. Resident Coordinator system and is committed to maximizing the use of its resources in conjunction with the work of other U.N. partners, NGOs and the World Bank. The Programme Review and Strategy Development (PRSD) exercise noted on page 25 of the report correctly reflects its intention. In addition, it should be pointed out that in line with this exercise UNFPA's Representatives are instructed to use any and all opportunities to encourage programme countries to self-finance their development activities to the maximum extent possible.

Now on p. 21.

Now on p. 56.



United Nations Population Fund  
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Human Rights/China

The Fund agrees unequivocally with your comments on its adherence to human rights, its absolute opposition to coercion in any form and its commitment to preventing abortion and dramatically lowering maternal mortality. UNFPA's last five year-programme in China ended in 1995 and discussions have been underway for the past year and one-half with the Chinese government regarding a new programme. These negotiations are focused on adherence to the international principles proscribed in Chapter 2, entitled, PRINCIPLES OF THE INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT, Programme of Action (ICPD/POA). UNFPA recognizes as the report notes that the UNFPA programme in China has been the topic of considerable debate in the U.S. government for several years. As a U.N. inter-governmental development organization, UNFPA is required to provide assistance if governments request it, if they are qualified, and if in areas where UNFPA provides assistance, they agree to abide by international standards and principles. Several governments have questions about China's population programme, but except for the U.S. all that have expressed a view, including many of UNFPA's major donors and U.S. allies, support UNFPA's presence in China. UNFPA is a voice of the international community. Just as it advocates for reproductive rights and access to family planning in countries where family planning is not universally available, so too it advocates for reproductive rights grounded in individual choice and free of coercion. Its programme in China has always aimed at ameliorating abuse and preventing abortion. As an example, UNFPA sponsored a project in China that proved that a switch in IUDs from steel ring to copper based would, in ten years, prevent 26 million abortions, save 16,300 maternal lives and avert 326,200 potential infant and child deaths. The Chinese government switched to copper based IUDs two weeks after the report was released. During its time in China, UNFPA has been tenacious in its advocacy for human rights in the Chinese population programme.

U.S. Funding

U.S. funding is essential for international population assistance and for UNFPA. If the ICPD/POA is fulfilled family planning, assisted deliveries and HIV/AIDS prevention interventions will be universally available by 2015; women's lives will be saved each year; abortion will be dramatically reduced; and abortion mortality will be rare. Many countries by 2015 will be able to graduate from international assistance and pay their own way. U.S. leadership and compassion is vital and fundamental to this humanitarian endeavour.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Nafis Sadik".

Nafis Sadik  
Executive Director and  
Under-Secretary-General

Encl.

See p. 58.

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The following is GAO's comment on the U.N. Population Fund's letter dated November 11, 1996.

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**GAO Comment**

1. Our report recognizes and provides a number of examples of collaboration between UNFPA with other organizations. The additional examples provided by UNFPA have been considered and have reinforced our conclusion that the organization supports U.S. population goals.

---

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