

Part 3

Economic and Development Affairs

Economic and Development Activities

The UN Charter established the General Assembly and the Economic and Social Council (ECOSOC) as the principal organs of the United Nations responsible for the issues covered in this section of the report. The General Assembly usually takes up economic and development issues in its Economic and Financial Committee (Second Committee), but the UN Conference on Trade and Development (UNCTAD), a subsidiary organ of both the General Assembly and ECOSOC, is another active venue for analysis and discussions. ECOSOC, made up of 54 elected member states, discusses economic and development issues at its regular session and in its subsidiary bodies.

The Second Committee took action on a wide variety of issues in 1997. Particularly notable was a resolution on business and development submitted by the United States, which called for the Secretariat and the operational agencies to focus on the role of the private sector in sustainable development. Other resolutions called for launching a serious, long-term review of the issue of financing for development and commended the World Bank and the IMF for the HIPC (Highly-Indebted Poor Countries) Initiative to address the debt problem of many developing countries. The United States cosponsored the trade and development resolution for the second year in a row and cosponsored the resolution on the role of micro-credit in the eradication of poverty. Finally, the United States cast the sole vote against a resolution originally drafted by Cuba urging the elimination of “unilateral coercive economic measures against developing countries that are not authorized by relevant organs of the United Nations.” The European Union, which in previous years had joined the United States in voting against similar resolutions, abstained on the Cuban resolution.

Regional Economic Commissions

The United Nations has five regional economic commissions: Economic Commission for Africa (ECA), Economic and Social Commission for Asia and the Pacific (ESCAP), Economic Commission for Europe (ECE), Economic Commission for Latin America and the Caribbean (ECLAC), and the Economic and Social Commission for Western Asia

(ESCWA). They are charged with “raising the level of economic activity” within their respective regions and “maintaining and strengthening the economic relations” of the countries within their scopes, “both among themselves and with other countries of the world.” The regional commissions are funded out of the regular UN budget, but many of their activities are financed by extrabudgetary grants from bilateral and multilateral donors.

The United States is a member of three of the regional commissions: ECE, ESCAP and ECLAC.

Economic Commission for Europe

The Economic Commission for Europe (ECE) was established in 1947. It is open to European members of the United Nations and has 55 members, including the former Central Asian and Caucasian republics of the U.S.S.R., plus the United States, Canada, Switzerland and Israel. ECE Headquarters are in Geneva.

The ECE meets annually in Geneva. In 1997, as part of the broader UN reform effort, the Commission adopted an action plan that reduced the ECE’s resource use by 10.5 percent in the 1998–1999 biennium, prioritized its work program, reduced by 60 percent the number of work-program elements and restructured the number of ECE principal subsidiary bodies from 14 to 7 (plus a small coordinating unit on special tasks).

The ECE’s terms of reference are broad. Like the other regional commissions, the ECE’s principal task is the promotion of cooperation and integration among its member states. The United States has supported the Commission’s increased emphasis on the economies in transition in Central and Eastern Europe, within the framework of the ECE’s current mandate and available resources. This focus is maintained throughout the Commission’s work program. The ECE holds workshops and seminars in its areas of expertise to support the integration of economies in transition into the global economy. In 1997 the ECE agreed to extend similar support to the economies in transition in Central Asia as well, in cooperation with ESCAP. Of the eight current areas of work, five—environment; transport; statistics; trade, industry and enterprise development; and economic analysis—receive over 90 percent of the Commission’s resources. Sustainable energy, timber and human settlements receive the remainder. The ECE’s EDIFACT program (Electronic Data Interchange for Administration, Commerce and Transport) established global standards for computerized trade transactions, aimed at permitting increased efficiency and financial savings. In environment, the ECE identifies and promotes regional efforts to address transboundary environmental problems. It provides a forum for the negotiation, adoption and implementation of important environmental conventions.

The Commission continues to supply technical assistance to the Southeast European Cooperative Initiative (SECI), a U.S. Government-

conceived initiative to encourage economic and environmental cooperation in that region. The United States made a special contribution in 1997 of \$75,000 to the ECE for SECI-related travel and administrative support.

Economic and Social Commission for Asia and the Pacific

The Economic and Social Commission for Asia and the Pacific (ESCAP) was established in 1947 and has 51 members in an area stretching from Iran and Azerbaijan in the west to the Cook Islands in the South Pacific. ESCAP Headquarters are in Bangkok.

ESCAP provides a forum for discussion of development issues, identifies problems of social and economic development, provides technical assistance and advisory services, and aids members in attracting outside assistance. It does not provide grants or loans of its own. Most work is conducted through meetings of the intergovernmental and subsidiary bodies, with an emphasis on a thematic approach. ESCAP places particular importance on sustainable development for developing, least developed, landlocked and Pacific island economies.

ESCAP meets annually. At the 1997 Commission meeting the United States successfully led a detailed review of ESCAP's priorities and use of resources. The member states adopted a number of important reforms. They agreed to cut standing committees from six to five, with each committee meeting shortened to 3 days, equaling a 60 percent reduction in committee meeting days. They also reduced intergovernmental *ad hoc* meetings from 15 to 5, equaling a 75 percent reduction in annual meeting days.

The United States participates in the Advisory Committee of Permanent Representatives (ACPR). The ACPR is charged with reviewing the Commission's work program and overseeing further reform, restructuring and streamlining of ESCAP. Most recently, the ACPR agreed to reduce Commission meeting days from 7 to 6 and to bring in a panel of regional experts to facilitate more focused discussion of theme topics at Commission meetings.

Economic Commission for Latin America and the Caribbean

The United States belongs to the 41-member Economic Commission for Latin America and the Caribbean (ECLAC) established in 1948. Puerto Rico and the U.S. Virgin Islands are among the six associate members. ECLAC's Headquarters are in Santiago, Chile.

ECLAC serves as a regional think tank on development policy, striving to take into account the social aspects of economic development and the interrelationship between economic and social factors. The focus of activities in recent years has been on "changing production patterns with social equity." Once a breeding ground for "dependency" theory and demands for a "New International Economic Order," ECLAC has moved

much closer to the economic mainstream in recent years, particularly concerning the importance of open markets and the role of the private sector in economic development. ECLAC also provides governments with economic and statistical information and works closely with other regional organizations, such as the Organization of American States (OAS) and the Latin American Economic System (SELA).

ECLAC is part of the Tripartite Committee (along with the Inter-American Development Bank and the OAS), which was created at the Miami Summit of the Americas in December 1995. It has provided the working groups of the Free Trade Area of the Americas (FTAA) with analytical support, technical assistance and relevant studies as requested. In 1997 ECLAC, as president of the Tripartite Committee, studied both the readiness of the least developed and island states of the region for economic integration and the requirements for the Tripartite Committee to act as a temporary FTAA Secretariat during the negotiating process to be launched in 1998.

In November 1997 ECLAC convened its Seventh Regional Conference on the Integration of Women into the Economic and Social Development of Latin America and the Caribbean. This Conference focused on the advancement of women in political participation and sustainable development.

ECLAC meets every other year. A reform exercise launched in 1996 has helped to streamline the Commission's work program and eliminate inefficient intergovernmental bodies. Members identified a 12.7 percent reduction in resource use. In 1997 ECLAC was chosen by UN Under Secretary for Management Joseph Connor to undertake a management pilot program. The pilot program delegates much authority over the allocation of financial and personnel resources from UN Headquarters in New York to Santiago. It is hoped that during the 1-year trial period of the pilot plan, greater local control of resources will allow the Secretariat to more efficiently use and rapidly shift resources to priority programs, as requested by the member states. If successful, the pilot program may be the model for delegation of such authority to other regional and functional commissions.

Economic and Development Bodies and Programs

UN Development Program

The UN Development Program (UNDP) is the largest funding agency for grant technical assistance in the UN system and plays a key role in coordinating UN development activities. Funded entirely through voluntary contributions, UNDP promotes sustainable human development through programs to eradicate poverty, generate employment, enhance the status of women, strengthen environmental protection and regeneration,

and encourage good governance. With offices in 134 countries, UNDP has a near-universal presence in the developing world.

In a report on U.S. participation in UNDP in April 1997, the General Accounting Office concluded that “UNDP’s mission and objectives are generally consistent with U.S. national security and foreign policy objectives.” In addition, UNDP often serves as a valuable partner in U.S. efforts to promote democracy, good governance and sustainable development.

With its headquarters in New York City, UNDP has always had an American as its Administrator. James Gustave (“Gus”) Speth now holds that position, and was reappointed by the Secretary General of the United Nations to a second 4-year term in May 1997.

U.S. influence on UNDP has largely been the result of its strong financial support for the organization—the United States has historically been UNDP’s largest contributor since its establishment in 1966. The 1997 U.S. contribution of \$76.35 million, accounting for about 9 percent of UNDP’s core resources, was a substantial increase from the 1996 figure of \$52 million but still significantly less than previous years when U.S. contributions exceeded \$100 million.

During 1997 the United States participated in all four meetings of UNDP’s Executive Board. The United States continued to press UNDP to streamline operations and improve staff accountability, and played an important role in securing the Executive Board’s May 1997 approval of a sweeping package of reforms that will make UNDP more decentralized and responsive to program country needs. A long-time advocate of system-wide reform of the United Nations, Administrator Speth was also named head of the UN Development Group (consisting of UNDP, UN Population Fund and UN Children’s Fund) created by the reform measures announced by UN Secretary General Annan in July 1997.

UN Children’s Fund

The UN General Assembly created the UN Children’s Fund (UNICEF) in 1946 to meet the emergency needs of children in the wake of World War II. UNICEF continues to provide assistance for children and mothers affected by natural and man-made disasters in countries such as Bosnia and the Great Lakes region of Africa. Over the years, UNICEF has evolved into primarily a development agency seeking long-term solutions for needy children and mothers in developing countries around the world. UNICEF programs focus on health, sanitation, nutrition and education. UNICEF estimates that through its immunization, oral rehydration and other activities, one million fewer children died in 1997 than in 1990, hence countries have made great progress in achieving the goals for children adopted at the 1990 World Summit for Children.

UNICEF also is considered the preeminent international advocate on behalf of the world’s children, particularly for “the most disadvantaged children,” that is, those who are victims of war, disasters, extreme poverty,

all forms of violence and exploitation and those with disabilities. UNICEF continues to make progress worldwide in achieving the goals of the 1990 World Summit for Children, in the areas of immunization, rehydration, guinea-worm disease, vitamin A and iodine deficiencies, and breastfeeding. As the decade review approaches, the United States continues to work closely with UNICEF to further the Summit's year 2000 goals.

In 1997 UNICEF expenditures totaled approximately \$904 million while income totaled \$905 million, down slightly from 1996. Of this amount, governments contributed \$358 million to general resources, which fund UNICEF's core programs, and \$242 million to supplementary resources, which fund specific projects and emergency operations. UNICEF also received \$184 million from private, nongovernmental sources, including proceeds from sales of greeting cards and related products by the national committees. Of that figure, the U.S. National Committee provided \$22.4 million to UNICEF in 1997. As in 1996, the U.S. Government contributed \$100 million to general resources, making the United States once again UNICEF's largest donor. The U.S. Government also provided \$65 million for supplementary and emergency programs in 1997.

The relationship between the United States and UNICEF continues to be as strong and extensive as ever. There is close consultation between the United States and UNICEF on technical matters of common interest, and strong cooperation in field activities. Health and education specialists from UNICEF, the U.S. Government and American nongovernmental organizations work together on child survival and development activities. In 1997 UNICEF employed 1,224 international professionals, 15 percent of them Americans. In addition, UNICEF purchased about \$53 million in supplies, equipment and services from U.S. firms. The United States continues to be represented on UNICEF's Executive Board, which meets three times a year in New York City where UNICEF has its headquarters.

Since she took office in 1995, UNICEF's Executive Director Carol Bellamy, an American, has given top priority to management reform. As a result, UNICEF has implemented significant internal reforms that have improved the effectiveness of its programs in the 130-plus countries throughout the world where it operates. In addition, UNICEF has participated actively in implementing the UN Secretary General's 1997 reform package, leading to increased cooperation between UNICEF and the other UN development agencies.

Population Activities

The UN Population Fund (UNFPA), the leading multilateral donor for population assistance, finances activities in over 160 countries. Its areas of focus include reproductive health information and services, advocacy on behalf of population issues, and activities linking population issues with concerns regarding sustainable development and the status of women.

UNFPA projects create awareness among policymakers and the public at large about the adverse effects of rapid, unsustainable population growth on economic development, environment and social progress. UNFPA promotes the principle of voluntarism in population programs and opposes coercive population measures. It does not fund, condone or promote abortion.

As one of 36 members of the UNDP/UNFPA Executive Board, the United States participates actively in the governance of UNFPA. For example, the United States played an important role in shaping a decision of the Executive Board in May 1997 that restructured UNFPA's programming procedures to allow Board members to provide input early in the process of program formulation.

An important U.S. policy objective is full implementation of the Program of Action of the 1994 International Conference on Population and Development (ICPD), including the establishment of national population programs, the integration of family planning services into broader reproductive health programs, and national program sustainability. In this regard, UNFPA's activities complement U.S. bilateral population assistance and promote principles of voluntary family planning and reproductive health consistent with U.S. policy.

In 1997 the United States contributed \$25 million to UNFPA, making it the fifth largest contributor. Total contributions from all donors to UNFPA in 1997 were about \$291 million.

Human Settlements

Established by the UN General Assembly in 1977, the 58-member UN Commission on Human Settlements serves as the governing body for the UN Center for Human Settlements. Its headquarters are in Nairobi, Kenya. The Center's mandate includes coordinating human settlements activities within the UN system, executing technical assistance projects, performing research and serving as a focal point for information exchange. A major focus of the Center's activities in recent years has been the housing and urban indicators program. The 16th session of the Commission, which meets every 2 years, met April 28–May 7. The main agenda items included the Center's workplan for 1998–1999, follow-up to the Habitat II Conference and revitalization of the Center.

In resolution 51/177, adopted by consensus on December 16, 1996, the UN General Assembly designated the UN Center for Human Settlements as the focal point for implementation of the Habitat Agenda, the final document from the June 1996 UN Conference on Human Settlements (Habitat II) held in Istanbul. The resolution also called for a comprehensive and in-depth assessment of the Center. At the 16th Commission meeting, the United States participated actively in establishment of the Center's work plan to ensure a focus on the relevant provisions of the Habitat Agenda (adequate shelter for all, sustainable human settlements, capacity-building

and institutional development, and international cooperation and coordination) and their effective implementation. Habitat II, coming 20 years after the first Habitat Conference in Vancouver, made new recommendations for national actions in the field of human settlements, as well as for bilateral and multilateral assistance policies in the housing and urban sectors. The Commission also noted the importance of equal participation of women and youth in human settlements development, the value of partnership between public and private sectors and the need for management of natural resources in the context of sustainable human settlements.

The United States also played a key role in promoting implementation of increased reform and oversight in the financial and administrative matters at the Center. As a result, the Commission called for more transparent, more responsive financial reporting by the Center, which has begun. In addition, the Center, which underwent a leadership change in October 1997, is in the process of implementing a new, streamlined organization structure.

UN Conference on Trade and Development

The UN Conference on Trade and Development (UNCTAD) is a subsidiary organ of the General Assembly and the Economic and Social Council based in Geneva. It provides a forum for its 187 members to engage in policy and analytical discussions on a variety of economic subjects. The key event in 1997 was the annual Trade and Development Board (TDB) session held in October. This year's TDB session reviewed progress made in implementing the reform measures mandated by UNCTAD IX the previous year. Delegations agreed that while the reduction in the number of meetings had streamlined the operations of the organization, further efforts were required to enhance the effectiveness of the intergovernmental machinery (such as the newly established commissions and expert meetings) and to increase their usefulness to the member states. The United States worked to focus UNCTAD's work program for the biennium 1998–1999 and to narrow the scope of its technical cooperation program. UNCTAD was a key participant in the WTO-sponsored high-level meeting on the least developed countries, which was held in October in follow-up to the Singapore Ministerial of December 1996.

Commission on Sustainable Development

The Commission on Sustainable Development (CSD), a functional commission of the UN Economic and Social Council, was established in 1993 to review the implementation of outcomes from the UN Conference on Environment and Development (UNCED), especially the comprehensive set of recommendations known as Agenda 21. The Commission held its fifth session April 8–25 in New York, devoting itself to negotiations on a draft "outcomes" document for the special session of the UN General Assembly held June 23–27 to review the implementation of Agenda 21. The CSD produced a draft text confirming the mandate of the CSD and

establishing its future work program. The CSD referred passages dealing with several controversial issues to the special session. These issues include finance, trade and the environment, poverty alleviation, climate change and forest preservation.

Nineteenth Special Session

The 19th special session of the UN General Assembly to review the implementation of Agenda 21, the 1992 Rio Earth Summit's "blueprint" for sustainable development, met June 23–27. Vice President Gore opened the special session with an outline of the sustainable development problems now facing the global community, and emphasized the need to work together in a serious manner to address these issues. More than 50 heads of state or government, including President Clinton, addressed the plenary session. The President focused on climate change as the greatest global environmental challenge.

Countries finalized the negotiations begun at CSD on the program for the further implementation of Agenda 21, containing a balanced overall assessment of progress on sustainable development since UNCED, and accurately identifying the numerous areas requiring intensive further efforts to halt and reverse environmental degradation.

Countries participating in the special session reached consensus on a useful approach to continue addressing forest issues, encouraging concentrated efforts to carry out the recommendations already developed in earlier, extensive CSD-based work on forest issues. Similarly, on climate issues, the special session called for serious efforts to set realistic targets for limiting greenhouse gas emissions through mutually agreed and broadly shared measures, thus setting the tone for the negotiations held in Kyoto in December by the parties to the Framework Convention on Climate Change.

Speakers generally concurred that incremental progress has been made in implementing the principles of the 1992 Rio Declaration, but that additional efforts are necessary. The United States, along with other countries, reaffirmed its commitment to sustainable development, with its three interdependent and mutually reinforcing components—social development, environmental protection and economic growth. The program also contained some forward-leaning calls for action on reducing exposure to lead and curbing tobacco use that constituted modest but solid progress on key health and environment issues. Appropriate references were included to the Beijing Platform of Action on women's issues and to the Cairo Plan of Action on population problems

In negotiating sessions concurrent with the plenary, delegates addressed both sectoral (e.g., oceans and seas, toxic chemicals, biodiversity) and cross-sectoral issues (finance, capacity-building, international institutions). They finalized, and the special session adopted, a "Program for the Further Implementation of Agenda 21," which assessed the

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progress made since the UN Conference on Environment and Development, included a renewed statement of commitment to sustainable development, and set forth a work plan for the CSD for the next 5 years.