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# Appendices

## Appendix A: A Brief Description of Organizations Funded by US Aid

### Bilateral Aid Organizations

The United States funds four bilateral aid agencies: The US Agency for International Development (USAID), the Peace Corps, the InterAmerican Foundation, and the African Development Foundation. *USAID* is the largest of the four, managing aid programs of about \$7 billion annually, including Development Assistance, food aid, Economic Support Fund (ESF) monies, and aid for the countries of Eastern Europe and the former Soviet Union. USAID has the lead on policies and country allocations of Development Assistance and a major role in decisions on food aid. The Department of State plays a major role in decisions on country allocations of ESF and funding for transitions in Eastern Europe and the former Soviet Union.

The *Peace Corps* works in a number of areas that correspond to the various purposes described in the previous chapter, including development, humane concerns, and humanitarian relief. It had a budget in fiscal year 2000 of \$245 million, with volunteers working in 80 countries as teachers, community development specialists, and health, environmental, and agricultural experts. In 1996, it created a Crisis Corps to provide short-term assistance during humanitarian crises and disasters.

The *InterAmerican Foundation* and the *African Development Foundation*, both government organizations, work at the community level in Latin

America and Africa, supporting local NGOs and individuals in a variety of activities. Their budgets for fiscal year 2000 were \$5 million and \$14 million, respectively.

Most *other federal agencies* operate their own foreign aid programs, including the Departments of Treasury (e.g., providing advice on taxes or fiscal policies) and Justice (providing help on strengthening the judiciaries in foreign countries). Additionally, the Treasury takes the lead in providing debt relief for developing countries, appropriated at \$123 million in fiscal year 2000. The aid programs of these two agencies fall primarily into the categories of economic development and democratization, respectively. However, some of the overseas activities that these departments fund also support economic and political transitions in former socialist bloc countries.

The Departments of Transportation, Agriculture, Commerce, Labor, Interior, Energy, and Health and Human Services and the Environmental Protection Agency also have foreign aid programs, falling primarily into the category of addressing transnational issues. Some of the activities of these agencies are funded from USAID's budget. Others come directly from funds appropriated to the agencies themselves. Finally, the Departments of State and Defense fund concessional expenditures abroad in the areas of humanitarian relief.

## Multilateral Development Banks

There are seven multilateral development banks—the World Bank and regional banks for Latin America, Asia, Africa, Europe, and North America and the Middle East.

The *World Bank* is the oldest and largest multilateral development bank. Its primary purpose is to promote economic and social development, through concessional loans to governments of poor countries and with “hard” loans (at near-commercial rates) to governments of better-off developing countries. Some of its lending has also supported economic transitions in former socialist countries. A small amount of funding has been provided recently for humanitarian relief, war-to-peace transition, and people-centered development activities undertaken by NGOs. Its overall annual lending level in 1999 (in commitments) was \$29 billion. Within this overall level, concessional loans to poor countries amounted to \$6.8 billion.

The *Inter-American Development Bank* provides soft and hard loans to governments of the countries of Central and South America and the Caribbean. Most of these loans fall into the category of economic development, although it tends to put more emphasis on social issues in its region than the World Bank does. The total level of lending was over \$10 billion in 1998. The *Asian Development Bank and Fund* makes loans to

the governments of its 40 member countries, located in Central, South, and East Asia. It lent \$5 billion in 1999, and provided technical assistance grants of nearly \$135 million. Most of the projects and programs funded by it fall into the category of economic development, as described above. The *African Development Bank and Fund* provides loans—mainly highly concessional ones—to its 53 African member states in North and Sub-Saharan Africa in support of economic development. Its total lending amounted to nearly \$2 billion in 1998. This institution has been the most troubled of the regional development banks. It has had a difficult time finding a niche for itself in funding development in Africa, has suffered in the past from poor management and corruption, and faces problems of nonperforming loans to many of its borrowers.

The *European Bank for Reconstruction and Development* was set up in 1991 to promote the economic transition from socialist to free-market economies in former socialist countries. It loaned over \$2 billion in 1999 in 25 countries.

The *North American Development Bank* (NADBank), established as part of the North American Free Trade Area (NAFTA) in 1993, makes loans and leverages private investment for infrastructure (particularly in the area of environment) in communities in the border area between the United States and Mexico and in communities hurt by NAFTA. The United States contributed \$56.5 million to the NADBank in 1998.

The *Economic Cooperation and Development Bank for the Middle East and North Africa*, proposed by the United States in 1994 to promote the Middle East peace process and encourage greater investment and cooperation in the region, has yet to be established and funded. The Clinton administration proposed a US contribution to this bank of \$52 million in 1998. Though Congress provided no funding for this bank in 1997 or 1998, it continues to have the support of the administration.

## International Organizations and Programs

The United States contributes to the funding of more than 70 international organizations and programs working in the area of development, humanitarian relief, and transnational issues.<sup>1</sup> Most of these organizations and

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1. US contributions are either assessed—i.e., the US share of an overall agency budget that the United States as a member is obligated to provide—or they are voluntary—the level of contribution is decided by the US government. Although most data on US foreign aid exclude assessed contributions, the figures on funding in this section include both. The number of international organizations and programs working in development is based on a report by the US General Accounting Office that lists all the international organizations and programs to which the US government contributed in 1995. Those organizations whose work fits the definition of development for the purposes of this study are included here. Descriptions of the organizations with the amounts of

programs are associated with the United Nations, either as UN programs or as specialized agencies. Many of them—27 to be exact—are quite small, with total US contributions annually of \$1 million or less. We shall not examine all of the smaller organizations here.

Many of these international organizations and programs were set up to promote multilateral cooperation on particular issues, often falling into the category of purposes we have termed transnational issues, such as health, food and agriculture, or the environment. A number of them provide humanitarian relief, whereas several others provide assistance for economic development. One provides funding to promote democracy in the Western Hemisphere.

## Development Organizations and Programs

The two largest recipients of US aid in this group are the *United Nations Development Program* (UNDP) and the *United Nations Children's Fund* (UNICEF), to which the United States contributed \$98 and \$100 million respectively in 1998.<sup>2</sup> UNDP documents emphasize the perspective of social development, but much of its funding—which is channeled to governments or other UN agencies—is used to finance technical assistance largely focused on traditional economic development activities and transnational issues. UNICEF's activities, focused on improving the lives of children, fall into the category of humane concerns.

The *International Fund for Agricultural Development* (not part of the United Nations), providing aid for small holder agriculture, also fits into the category of economic development. It received \$2.5 million from the United States in 1998.

## International Humanitarian Organizations and Programs

The two main international organizations in this category are the *UN High Commissioner for Refugees* (UNHCR) and the *World Food Program* (WFP). UNHCR provides assistance to refugees and displaced people. Its budget (and the US contribution to it) varies according to the number of refugees it serves. In 1998, it had a total budget of just under \$1 billion. The WFP provides food to victims of natural and man-made disasters (including both refugees and displaced people). It also provides food in

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US contributions and the US government agencies making those contributions are included in the appendix. See General Accounting Office, *Multilateral Organizations: U.S. Contributions to International Organizations for Fiscal Years 1993-95*, GAO/NSIAD-97-42 (Washington, May 1997).

2. These are planned voluntary contributions. It is often the case that additional monies are allocated to these organizations by USAID and other government agencies. I do not have data on any additional allocations from the US government.

support of development projects, for example, offering food to laborers in public works projects as payment for labor. Its total budget for 1997 was \$1.2 billion, with contributions from the United States totaling \$375 million.

## Transnational Issues

Many UN agencies, regional organizations, and other multilateral institutions were set up initially to address what we now term transnational issues, including population, food, health, and the environment. The *UN Population Fund* (UNFPA) is charged with expanding the use of family planning worldwide. It received \$30 million from the United States in 1998.

In agriculture, the United States supports the *Food and Agriculture Organization* (FAO), which gathers information on and monitors agricultural production worldwide, provides technical assistance, and funds projects in agriculture for a number of countries throughout the world. The United States (assessed) contribution to the FAO in 1998 was \$80.8 million.

Another multilateral organization, with an unusual informal structure is the *Consultative Group on International Agricultural Research* (CGIAR). This organization is responsible for a wide range of research on agricultural products and related policy and issues. It is a network of 16 international research institutes and received \$38 million from the United States in 1999.

The *Inter-American Institute for Cooperation on Agriculture*, a specialized agency of the Organization of American States, gathers information and provides technical assistance and training on agriculture in the Western Hemisphere. The US contribution to this agency was \$17 million in 1998.

On international health issues, the principal international health organization is the *World Health Organization* (WHO), a UN agency that gathers data and promotes research and technical assistance on a wide range of international health issues. The US contribution to WHO in 1998 was \$107 million from the Department of State budget (assessed), with another \$30 million or more added on a voluntary basis from USAID and other US government agencies.

The *Pan American Health Organization* (PAHO) is a separate organization from WHO but serves as its regional office in the Western Hemisphere and fulfills similar functions. The US contribution to PAHO in 1998 was \$50 million.

Since the mid-1990s, international environmental issues have been a growth area for international organizations and programs. The larger ones (to which the United States contributes \$3 million or more per year) are the *UN Environment Program* (UNEP), the *Montreal Protocol Fund*, the *Global Environment Facility* (GEF), and the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES).

UNEP gathers data on international environmental issues, sponsors negotiations on environmental problems, encourages research, and acts as a secretariat for several international agreements, such as the Convention on Biodiversity. It also provides technical assistance to governments on environmental issues. The United States contributed \$11 million to UNEP in 1998. In the same year, it also provided \$5 million in support of the International Panel on Climate Change, which is housed in UNEP.

The Montreal Protocol Fund grew out of the Montreal Protocol on Substances that Deplete the Ozone Layer, signed by major industrial countries in 1987. Its role is to help developing countries finance the cost of eliminating the use of ozone-depleting chemicals. The United States contributed \$28 million to it in 1998.

The GEF was set up in 1990 to finance activities in developing countries addressing four areas of environmental concern—global warming, protecting biodiversity, decreasing ozone layer depletion, and protecting international waters. After the UN Conference on the Environment and Development in Rio de Janeiro in 1992, the GEF began to fund activities in the area of biodiversity and climate change. In 1998, the United States contribution to the GEF was \$100 million.

CITES, signed in 1975, regulates trade in such commodities as elephant tusks as a means of discouraging the destruction of endangered wild animals and plants. In 1998, the United States contributed \$3.7 million to CITES, the International Union for the Conservation of Nature, and several other international organizations involved with conservation.

Finally, with regard to the promotion of democracy, the *Organization of American States Development Assistance Program* promotes programs encouraging democratic participation in Latin American countries. The United States contributed \$6.5 million to this program in 1998.

## Appendix B: Assumptions and Estimates for Aid Matrix

The estimates of funding falling into these categories are no more than broadly indicative of the magnitudes of funds due to the limitations of the data and the fact that agencies do not collect and present budgetary data in these particular categories.

I have made a number of assumptions regarding the funding estimates. For security purposes, I have included all \$2.4 billion in ESF monies, nearly all of which were spent in the Middle East, Cyprus, Northern Ireland and Haiti. For economic development and humane concerns, I have included \$1.3 billion in US contributions for multilateral development banks (except those to the European Bank for Reconstruction and Development and NADBank, and funding for the GEF, which I have included in transnational issues). I have also included US contribution to the UNDP (\$98 million), International Fund for Agricultural Develop-

ment (\$2.5 million) and all PL 480 Title III (food aid) funds (\$30 million, provided in support of policy reform programs). Additionally, the administration spent \$27 million to finance the cancellation of debts owed the US government.

To estimate the amount of Development Assistance funds that were allocated to economic development in 1998 (an admittedly highly speculative exercise because USAID does not keep its data in the categories used here), I have taken the total amount of Development Assistance allocated to countries and regions (\$1.3 billion) and have subtracted funding for democracy programs (approximately \$120 million). Thus, the total for development—including expenditures by USAID and US contributions to multilateral development banks and international organizations—is \$3.4 billion (on the basis of 1998 data).

Funding for humanitarian relief, including war-to-peace transitions, includes \$190 million from USAID in disaster assistance, \$332 million in food aid (managed by USAID's central bureaus for emergency purposes), \$69 million in additional "humanitarian response" funds by USAID, and \$700 million in funding for refugees overseas provided by the Department of State.

Monies for economic and political transitions in Eastern Europe and the former USSR from the European Bank for Reconstruction and Development plus US bilateral funding for the same region (managed by USAID) total \$1.5 billion.

Funding for addressing transnational issues includes \$300 million from USAID's Bureau for Global Affairs dedicated to addressing these issues, including US voluntary contributions in 1998 to UNFPA, FAO, the Inter-American Institute for Cooperation on Agriculture, WHO, PAHO, UNEP, the Montreal Fund, GEF, CITES, and NADBank, totaling \$400 million. Funding for democracy includes \$120 million from USAID's Development Assistance monies, \$10 million from ESF, and \$30 million for the National Endowment for Democracy.