Congressional cuts in US funding for international agencies are having crippling effects on institutions of particular importance to Africa. Unless the United States pays its backlog in overdue assessments, the United Nations may be forced to shut down many of its operations within months. Key UN agencies involved in supporting African development, such as the UN Development Program, are facing drastic budget cuts. The UN peacekeeping budget is also in trouble, with unpaid bills of some $1 billion to countries providing peacekeeping troops, including France, India, Pakistan, Bangladesh and Nepal.

In addition, Washington owes almost $1 billion to the World Bank's program of concessional development loans, a principal source of development funds for Africa.

The crisis is so great, and the US responsibility for creating it so clear, that even key US allies such as Britain have suggested a policy of no representation without taxation. Others have suggested that the UN headquarters, which generates an estimated $3 billion in economic activity for the US economy, should be removed to a country with a more mature sense of international responsibility.

Many members of Congress strongly oppose adequate funding for these institutions. Some are seeking even deeper cuts, and a few openly advocate US withdrawal. The Clinton Administration has proposed funding that would make up part of the arrears and support current programs at modest levels, but it is also pushing for drastic downsizing in many key international programs.

The amounts for these international institutions sound large in comparison to household budgets. But they are tiny compared to US expenditures on other federal budget items. The regular United Nations budget plus the World Bank's soft-loan disbursements to Sub-Saharan Africa (at roughly $1.3 billion and $2.5 billion per year respectively) add up to little more than half of the extra $7 billion Congress tacked on to the $220 billion US military budget last fall.

The entire United Nations system employs fewer people worldwide than the number of Wyoming state employees. There is wide agreement that multilateral institutions do need reform. But given the number of world problems they are being called upon to deal with, they need more resources, not fewer.
African countries are particularly reliant on these international agencies. While African nongovernmental organizations are critical of many international programs, particularly World Bank structural adjustment policies, they have spoken out in favor of continued funding. Multilateral support is essential not only to humanitarian relief and peacekeeping in Africa, but also to investments in education and health, and to building the capacity of African governmental and nongovernmental institutions to address the continent's long-term problems.

Budgeting for the US share of the costs for international organizations falls into several distinct categories. Contributions to the United Nations regular budget, peacekeeping budget, and selected UN agencies are assessed at rates agreed upon in international treaties. Contributions to other UN agencies, as well as to multilateral development banks, are based on voluntary pledges approved by Congress. Almost all these accounts suffered major cutbacks in last year's battles over the fiscal 1996 budget, and they are at risk of still deeper cuts in the 1997 budget currently being debated.

UN Regular Budget

The UN's regular budget supports the operations of the Secretariat, General Assembly, Security Council and other core agencies, such as the UN High Commission for Refugees and the UN Environment Program. It includes funds for publication of Africa Recovery magazine and other information on African economic development. The Economic Commission for Africa is financed from this budget, as are special UN-wide initiatives to support African development.

The UN has already trimmed almost 6% from its projected regular budget for 1996-1997. But UN undersecretary Joseph Connor said early this month that the UN would have to juggle funds by dipping into the peacekeeping budget as early as June. Even so, without new US payments after the US fiscal year begins in October, funds will be totally exhausted by the end of 1996.

US arrears on the regular budget as of mid-April were at least $371 million. We are the only developed country in arrears. In 1994 the United States paid a total of $311 million towards the regular budget. In 1995 and 1996 to date, it has paid only $187 million. By contrast, 41 of the UN's 185 members have already paid their 1996 assessments in full. Countries fully paid up include developed nations such as Italy, Canada, France, and the Netherlands, as well as African countries such as Lesotho, South Africa, Ethiopia, and Namibia.

The Administration's 1997 request to Congress for the UN regular budget is $314 million, $7 million short of what the US owes for calendar year 1996, with nothing for arrears or for the nine months of 1997 before the next fiscal year begins. The budget request also includes $379 million to meet US assessed obligations to agencies such as the World Health Organization and the Food and Agriculture Organization, to which the US owes $130 million.

UN Peacekeeping

In the post-Cold War period, the UN has been called to deal with an unprecedented number of regional conflicts around the globe. Twenty new peacekeeping operations were approved by the Security Council between 1988 and 1993, compared to only 13 during the previous 40 years. At the end of 1995 there were 16 operations under way, with the largest commitments of troops in Angola, Haiti, and Lebanon. The United States provided just over 6% of the troops. The total annual budget grew from less than $200 million in 1986 to nearly $3 billion by 1993.

The assessment rates for UN peacekeeping were agreed in 1973. They are pegged to a country's ability to pay, with an extra 20% for permanent members of the Security Council who have veto power over any peacekeeping operation. The United States has been responsible for 60.8% of total peacekeeping assessments. As of mid-April 1996, Washington was $764 million in arrears.
The US share is equivalent to slightly over 1% of the US military budget. But the payments come not from the cash-flush defense budget but through accounts handled by the State Department, which are among the primary targets of budget cutters. So even the Administration proposal provides only $425 million for peacekeeping in fiscal 1997, including $142 million for arrears.

There are a few other countries with large arrears, notably Russia and the Ukraine. But only the United States, comments Erskine Childers, an expert on the UN system, "is delinquent to this massive extent, in violation of international treaty law, not for reasons of economic difficulty, but because it is withholding its due contributions until every other member country accepts its unilateral demands about UN policies, decision-making and management."

The resultant cash crisis in peacekeeping creates enormous management problems for existing missions, and virtually eliminates the UN's capacity to respond to new crises as they emerge.

**World Bank**

 Critics have strongly faulted the World Bank for imposing rigid structural adjustment policies on developing countries. These programs have all too often had devastating impacts on living standards, with only mixed macroeconomic results. Observers are hoping for somewhat greater responsiveness under new World Bank president James Wolfensohn, who has promised a wider dialogue with nongovernmental organizations and stressed the importance of investment in social development.

 While this debate continues, many critics, particularly in Africa, affirm the importance of continued funding at least for the International Development Association (IDA). This branch of the World Bank provides loans for the poorest countries, currently those with per capita income of less than $835 a year. Almost all countries in Sub-Saharan Africa fall into this category. Of $2.4 billion in World Bank lending to Africa in 1995, more than 96% was as IDA loans rather than as standard commercially-backed loans. IDA loans, typically for 35 to 40 years, carry no interest, but only a small service charge.

Roughly half of IDA's funds to Africa support economic reform plans agreed with the World Bank; the rest go to investments in physical infrastructure, government capacity-building, education, population, health, nutrition and water supply. The conditions on which these loans are given, as well as the implementation of specific projects, need ongoing reevaluation. But simply eliminating the funds would cripple many programs essential to African development.

IDA is funded in three-year periods. The United States pledged a total of $3.75 billion for IDA-10 (July 1993-June 1996), of which $934.5 million is still unpaid. The Administration is proposing that the US pay off its obligation to IDA-10 in fiscal 1997 and contribute $800 million a year for the final two years of IDA-11, a 36% reduction from previous levels. Even these limited amounts will be contested in Congress, however. Other developed countries have put up monies for an emergency fund for the first year of IDA-11, in which the US will not participate. US companies will not be eligible to bid on IDA contracts financed by other nations until the arrears are paid.

**Voluntary Contributions to UN**

The United States makes voluntary contributions to the UN Development Program (UNDP), UNICEF, and several other UN programs. The Administration requested $425 million for these accounts in 1996, but Congress cut this back to only $285 million. The Administration is requesting $325 million for fiscal 1997. UNDP is the UN's lead agency in promoting and coordinating development. With its annual human development reports, UNDP has led a creative rethinking of development in the post-Cold War period. Its offices in many developing countries play a key role in helping to coordinate international efforts. Some $180 million of its approximately $1 billion field program budget goes to African countries. The US contribution to
UNDP for fiscal 1996 was slashed by 56%, to only $52 million. The Administration’s 1997 budget proposes restoring the allocation to $78.7 million. This is still significantly less than the amounts provided by Japan, the Netherlands, Denmark, or Germany.

No Significant Savings

Polls show that US public opinion is generally favorable to US contributions to the United Nations and other international institutions. But opponents are able to exploit the fact that most people think the sums involved are far larger than they are. Cutting US aid to the United Nations achieves no significant savings in the federal budget. Yet if Congress follows the pattern set last year, US international obligations will be under assault as extravagant expenditures. A strong public outcry is essential: the United States should pay what it owes and work to strengthen, not undermine, the international bodies that provide crucial support for peace and development in Africa.

What You Can Do

With the drumbeat of attacks against international institutions setting the tone for debate in Congress, it is essential that Congress and the Administration hear the message that the majority of the American people do not agree with such shortsighted views. You may wish to use the following talking points:

* Payment of US assessments to the United Nations is a legal obligation under treaties this country has signed. US failure to pay is offensive even to many of our closest allies, and will result in loss of US influence and prestige. The US should also pay its fair share of other international programs.

* The amounts spent by international institutions—including the United Nations and the World Bank’s IDA—are all relatively small. And the amount the United States is expected to contribute is minuscule in comparison to the US military budget.

* Polls show the US public gives a significantly higher rating (67% favorable) to the United Nations than it does to the US Congress (53% favorable). The majority of the US public does not favor cuts in US support for the UN

* International programs for peacekeeping, development and other areas of international cooperation are absolutely essential for survival and sustainable progress in poor countries around the world, including many on the African continent. Starving these programs is irresponsible, shortsighted, and immoral.

Send your letter to your two Senators and your Representative. You can also send a copy to Sen. Mitch McConnell, chair of the foreign operations subcommittee of the Senate Appropriations Committee, and to Rep. Sonny Callahan, chair of the foreign operations subcommittee of the House Appropriations Committee. The Honorable [ ], US Senate, Washington, DC 20510 or US House of Representatives, Washington, DC 20515.

Also send copies to Mr. Anthony Lake, National Security Council, Washington, DC 20500 and to Mr. Warren Christopher, US Department of State, Washington, DC 20520.

For more information on the UN budget crisis, contact the Global Policy Forum, Box 20022, New York, NY 10025. Tel: (212) 501-7435; Fax: (212) 595-8134; E-mail: globalpolicy@globalpolicy.org; Web: http://www.globalpolicy.org/

On the peacekeeping budget, contact the Council for a Livable World Education Fund, 110 Maryland Ave. NE, Washington, DC 20002. Tel: (202) 543-4100; Fax: (202) 543-6297; E-mail: clw@clw.org; Web: http://www.clw.org/

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