

# CRS Report for Congress

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## U.N. Development Program: A Fact Sheet

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The U.N. Development Program (UNDP), established in 1966 by the U.N. General Assembly, coordinates and provides funding for most U.N. development assistance programs. In FY1994, the U.S. contribution of \$116 million made the United States the largest donor, comprising about 12 percent of the agency's budget. The Administration supports a strong U.S. role and financial contribution to the UNDP. Some Members of Congress, however, argue that UNDP programs are unfocused and duplicative. Early in the congressional debate on UNDP funding for FY1996, Representative Chris Smith, Chairman of the House International Relations Subcommittee on International Operations, introduced legislation (H.R. 1564) cutting the President's UNDP request of \$118.5 million to \$70 million.

**Role of UNDP.** UNDP, in cooperation with a developing country, assesses the country's overall development needs and designs a multiyear development plan. UNDP also funds and coordinates the implementation of each plan through its Country Resident Representatives in 130 field offices. The U.N. Secretary-General's efforts to streamline the U.N. economic and social programs have focused on strengthening UNDP's coordinating role. UNDP projects may be carried out by other U.N. technical agencies, such as the International Labor Organization or the Food and Agriculture Organization, by local voluntary agencies or the local or national government of the recipient country.

UNDP programs focus on alleviating poverty, creating jobs, regenerating the environment and managing natural resources, and improving conditions for women. Other U.N. programs are administered by UNDP, including the U.N. Volunteers, the U.N. Capital Development Fund, the U.N. Development Fund for Women, and the U.N. Fellowship Program.

**Organization.** UNDP, headquartered in New York, is an independently administered agency within the United Nations system under the direction of the U.N. Economic and Social Council (ECOSOC). James Gustave Speth, an American, became the Administrator in July 1993 for a four-year term. All UNDP administrators have been Americans. The policy making body of UNDP is the Executive Board, composed of 36 government representatives elected by ECOSOC, which meets several times a year. The United States is on the Executive Board.

**UNDP Funding.** Most UNDP funding comes from voluntary contributions from governments to the regular "core" budget, approved by the Executive Board. Countries also contribute to "special" or earmarked programs which may be funded by any country. Funds may also be provided by one of the international development banks, by the recipient country, or by another international agency in cost sharing programs managed by UNDP.

The United States is the largest UNDP contributor at an estimated \$116 million in FY1995. Contributions to the approximately \$1 billion 1994 budget from other donors include (U.S.\$s millions): Japan \$101, Denmark \$90, Netherlands \$94, Germany \$83, Sweden \$77, and Norway \$70. The U.S. contribution has declined from a high of \$165 million in FY1985, with other donors partly offsetting the smaller U.S. funding levels. In addition to its core budget, UNDP managed some \$700 million in cost-sharing programs.

U.S. Contributions to UNDP (\$s millions)			
FY85	165.0	FY91	109.0
FY86	138.1	FY92	106.3
FY87	107.5	FY93	124.6
FY88	110.0	FY94	116.0
FY89	109.9	FY95	116.0 (est)
FY90	107.8	FY96	118.5 (req)

**U.S. Position and Issues For Congress.** The State Department maintains that U.S. influence over the direction and program content of UNDP ensures that U.S. broad foreign policy interests are represented in the work of the organization. For example, Administration officials note that U.S. pressure in opposition to Burma's military junta resulted in a more than 50-percent cut in UNDP's June 1993 plan for Burma. The State Department further argues that U.S. contributions help leverage those of other aid donors--that for every dollar provided by the United States, \$8 more are supplied by others.

Supporters also contend that the large U.S. contribution has helped maintain an American as the UNDP Administrator. Other donors have long argued that there are too many U.S. heads of agencies, and will again raise it when Mr. Speth's term expires in 1997. The U.S. contribution has also helped to keep UNDP in New York. In 1994, the German Government offered to pay the costs of moving UNDP to Germany, both as a way for it to play a more active role in the United Nations, and to fill the empty office buildings in Bonn. Although only the U.N. Volunteers moved, the German offer remains. UNDP purchases from U.S. businesses in 1993 were more than twice the U.S. contribution.

Critics, both within and outside the United Nations, have long argued that UNDP's goals are too broad and urged the United Nations to establish more attainable goals. Many complain that the development programs of various UN agencies have grown without direction and that their independence makes coordination impossible. Some argue that reducing U.S. funds to UNDP and other U.N. development entities will encourage this consolidation.

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