



# Executive Memorandum

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## UNRATIFIED ENVIRONMENTAL TREATIES DESERVE NO U.S. FUNDING

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Congress is expected soon to consider how much funding, if any, it is willing to provide to the Global Environment Facility (GEF). Overseen by the World Bank and the United Nations (U.N.), this program provides subsidized loans and grants to defray the extra expenses incurred by developing countries in complying with international environmental agreements, including the Kyoto Protocol and the Convention on Biological Diversity that the United States so far has not ratified.

The Clinton Administration has requested \$300 million for the GEF for fiscal year (FY) 1999. The Senate, however, passed its FY 1999 Foreign Operations appropriation bill (S. 2334) containing only \$47.5 million for the GEF by a vote of 90–3 on September 2, 1998. The House has yet to consider its companion appropriations bill, but the Foreign Operations Subcommittee of the House Appropriations Committee has designated even less for the GEF than did the Senate: \$42.5 million. Even one-sixth of President Clinton's request is far too generous, however: The GEF deserves no funding at all until the Senate has ratified all of the international treaties financially supported by the program.

### **SUPPORTING OF UNRATIFIED TREATIES**

Managed by the U.N. Development Program, the U.N. Environment Program, and the World Bank, the GEF gives assistance to developing countries to encourage them to undertake the significant costs involved in complying with such U.N. environmental treaties as the Kyoto Protocol, the Convention on Biological Diversity, and the Montreal Protocol.

The Senate has not ratified the first two treaties. The United States is a party to the third, which has an independent funding mechanism in addition to the GEF.

- **The Kyoto Protocol.** The Kyoto Protocol is the most current rendition of the U.N. Framework Convention for Climate Change (UNFCCC). It specifically outlines the reductions each participating country must make in emissions of greenhouse gases—identified in the treaty as contributing to a rise in global temperatures—resulting from human activities. The Senate has not ratified the Kyoto Protocol. Indeed, many Members of Congress have serious doubts about the theory of global warming, the protocol's cost to the U.S. economy, and the protocol's ability to address the potential threat.

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According to the U.S. Department of the Treasury, "GEF is the primary, cost-effective

vehicle for fulfilling U.S. obligations under the Climate Change Convention.” Indeed, estimates released by the Senate on July 31, 1998, reveal that approximately 38 percent of the total U.S. annual contribution to the GEF supports climate change–related projects.

- **The Convention on Biological Diversity.** The Convention on Biological Diversity would encompass all ecosystems, species, and even genetic resources. According to its Internet site, the convention is based on the premise that human activities are causing an “extinction spasm...greater than any since the dinosaurs died out 65 million years ago” that is both irreversible and unethical. Human activities causing this “extinction spasm,” therefore, must be restricted. Although President Clinton has signed the treaty, the Senate has not ratified it.

Despite the fact that the Senate has ratified neither the Kyoto Protocol nor the Convention on Biological Diversity, the United States already has become a primary source of funding for both treaties. The GEF received \$730 million in international funding when it was established in 1991. A replenishment negotiated in March 1994 (referred to as the GEF–1) resulted in an additional \$2 billion pledge by 34 countries—\$430 million (21.5 percent) of which was pledged by the United States. The Clinton Administration currently is negotiating another \$2 billion replenishment (GEF–2) that would commit the United States to another \$430 million over the next four years. Including the GEF–2, the Administration has pledged the United States to contribute over \$1 billion to the GEF.

- **The Montreal Protocol.** The Montreal Protocol is dedicated to reducing emissions of several gases that are said to erode the layer of ozone gas in the atmosphere, which helps to shield the

earth from solar radiation. Despite questions about the Montreal Protocol, the Senate ratified it in 1988.

As a ratified treaty, the Montreal Protocol might offer an argument for Congress to contribute to the GEF. The Montreal Protocol, however, already has a funding mechanism called the Multilateral Fund for the Implementation of the Montreal Protocol, which has disbursed \$450 million since its establishment in 1990. This independent fund makes GEF support of the Montreal Protocol redundant. Any funds Congress wishes to appropriate in support of protecting the ozone layer easily can be provided to the primary funding mechanism of the Montreal Protocol.

## CONCLUSION

Congress understandably has balked at providing \$1 billion in foreign aid to support treaties the Senate has yet to ratify. It refused to appropriate the Clinton Administration’s full request for the Global Environment Facility over the past few years—only \$35 million and \$47.5 million in FY 1997 and FY 1998, respectively.

Congress seems likely to continue this trend for FY 1999. Indeed, the Senate appropriated only \$47.5 million of the Clinton Administration’s \$300 million budget proposal for the GEF in FY 1999; the House Foreign Operations Subcommittee is offering even less—\$42.5 million. Although this is a positive step, Congress would better serve the American people by recognizing that further funding is not warranted until the international treaties financed and supported by the GEF are ratified by the Senate.

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