

Challenges and Opportunities in Pushing Ahead on UN Reform

Introduction

Mr. Chairman, thank you for inviting me to speak before you here today. The seven months that have passed since I last had the opportunity to meet with you have witnessed a great deal of activity at the United Nations on a number of critical issues in which the Committee has a great deal of interest. In the time I have before you today, I would like to provide you an update on where we stand, the progress we have made, and some of the challenges I believe we still confront in the days ahead. In addition to discussing some of the longer-term issues related to UN reform, such as management reform, and the new Human Rights Council, I would also like to provide you with an update on where we stand with regard to several of the most critical issues currently on the agenda of the Security Council, notably the Iranian nuclear threat, Darfur, and Lebanon. In light of the recent deteriorating situation in Burma, I will also make mention of that well as it may well arrive shortly back on the Security Council agenda.

At the outset, I would like to thank you and your colleagues for your continued interest in reforming the United Nations so that it lives up to the cherished ideals outlined in its original charter. Your collective attention to this matter has been a valuable tool in our diplomatic efforts in New York. Through your ongoing efforts, both the UN Secretariat and delegations of other member states have a much greater appreciation of the importance the Congress- mirroring the American people -attach to the subject of UN reform. As the UN's largest financial contributor, totaling some 22% of the regular assessed budget, the United States has a vital stake in ensuring that the UN succeeds.

A Report Card on Reforming the United Nations

Changing the Culture

Mr. Chairman, when I first testified before you in my current capacity last October, only one month had transpired since the signing of the ambitious Outcome Document by over 150 heads of state at the 60th Anniversary of the UN General Assembly. Now with several more months under our belt, we are better situated to evaluate where we stand on a number of key issues. To be frank, though, the overall results have not been particularly encouraging. There has been some movement, but no real notable successes so far.

Rest assured, though, that the United States and many like-minded nations are working assiduously to keep the pressure on to reform. The U.S. Mission is actively engaged in this effort to realize the goals outlined by President Bush during his address

before the General Assembly last September, where he noted, "meaningful institutional reforms must include measures to improve internal oversight, identify cost savings, and ensure that precious resources are used for their intended purpose." It is important for member states to take greater responsibility for governing how their citizens' taxpayer dollars are spent.

We are taking steps to work with others to overhaul the system. One positive step forward was our success in imposing more fiscal discipline on the UN system last December. At a time when it appeared the reform effort was stalling, it would have been irresponsible for member states to approve a "business-as-usual" two-year budget. By securing passage of a limit on UN spending through imposition of spending cap on the two-year budget, the United States scored a significant diplomatic victory in a consensual manner, despite many member states' initial shock at the suggestion of using the budget as a lever to secure further progress on reform efforts. In a few weeks time, we will be situated to examine progress to date and to determine whether, and in what form, further spending should be authorized. Currently, we estimate that the interim budget will run out of money in early July.

Other cases have demonstrated the importance of standing firm. Let me give you one telling illustrative example of the environment and culture we face in New York City. As I testified before you last October, the United States views as a major and important achievement the decision by world leaders last September to create a Peace building Commission and support Office. These past months, we have been engaged in negotiations on details related to the office's creation -- notably funding. The United States adhered to guidance provided in the Outcome Document -- approved by 150 world leaders -- which was then operationalized through a General Assembly resolution to ensure that the Peace Building Support Office to support the new Peacebuilding Commission would be created *within* existing resources. While "within existing resources" can legitimately be defined a number of ways, we chose to use the most fiscally conservative definition focused on finding offsets, or cost or budgetary savings in other programs now less of a priority in order to help encourage other member states to vigorously examine the resource implications of the creation of this new office. As a result, member states succeeded in ensuring that the office is comprised of predominately reprogrammed positions, with only a modest number of new positions -- and these new positions are in fact funded out of the current budget and thus require no additional funds. We look forward to situations like these in the United Nations, where we can work with our fellow member states to encourage creativity in discussion to help ensure fiscal responsibility.

Changing UN management structures is no guarantee that effective policies will be adopted, but the lack of management reform certainly makes prudent policies more difficult to implement. Moreover, difficulties in implementing programs in the UN could have very tangible, even tragic consequences in the real world and on the lives of real men, women and children. Critical services or supplies might not be delivered, denying vulnerable populations the humanitarian assistance they need. It could mean there might

be delays in providing the necessary equipment, materials or support services to peacekeeping missions, resulting in missions unable to fulfill their mandates effectively. It means that when we are discussing management reform and UN reform more broadly, we are actually ultimately talking about people's lives.

One need look no further than the Oil-for-Food scandal to illustrate this point. It was before this very Committee that Paul Volcker, who chaired the inquiry into that scandal, coined the now oft-used expression "culture of inaction" that remains pervasive at the UN. Changing that culture and adapting it to modern-day management and accounting norms is no small task, but failure to do so is simply to invite future scandals. And, while the figures are well-known to many, they bear repeating in a public forum as often as possible. According to the Independent Inquiry Commission led by Chairman Volcker, Saddam Hussein's regime diverted some \$1.8 billion in illicit kickbacks and surcharges, with more than 2000 companies involved in these illicit payments. The report recently released by the Government Accountability Office notes that Saddam Hussein's regime might have obtained up to \$12.8 billion in illicit revenue in the process. This money went directly into the coffers of one of the most oppressive dictatorships this world has ever known, creating a multiplier effect for financing terror in and beyond Iraq.

Member states have little justification to complain about failures within the UN system, if they themselves fail to take responsibility at even attempting to impose fiscal discipline on agencies or programs they are funding. Many UN agencies are, in fact, well run and do work which serves the international community and member states well. In looking at some of the best-run agencies within the UN system, there appears to be another factor at play in determining the level of performance that we should explore – the funding mechanism. In the case of UNICEF, for example, William Brisben, U.S. Representative to UNICEF noted last year that, one of the keys to UNICEF's success is its emphasis on measurable results, which document and prove to existing and potential contributors that their money is being well-spent. It bears repeating the words of Catherine Bertini, former UN Under Secretary-General for Management and former head of the World Food Programme (WFP), noted that, "Voluntary funding creates an entirely different atmosphere at WFP than at the UN. At WFP, every staff member knows that we have to be as efficient, accountable, transparent, and results-oriented as is possible. If we are not, donor governments can take their funding elsewhere in a very competitive world among UN agencies, NGOs, and bilateral governments."

This is not necessarily to suggest that voluntary contributions are the proper model for all operations at the United Nations; other options are available and, in fact, utilized. It is noteworthy that many member governments, including the United States, already make voluntary contributions to particular specialized agencies or programs in addition to their assessed contribution.

As the UN's largest financial contributor, with our annual assessment constituting 22 percent of the regular budget, the United States bears special responsibility to advance reform.

Management Reform

In terms of specific priorities, the United States has consistently made clear that management reform is at the top of our agenda. Progress in this regard will have a transcendent impact on a number of issues related to all UN programs, including efficiency, transparency and accountability. The United States has joined with others to launch an ambitious agenda of reform--reforms we think are vital to putting the United Nations back on track. This is consistent with Secretary Rice's call last September before the 60th meeting of the General Assembly to "launch a lasting revolution of reform." There have been some successes. We applaud, for example, the recent increase in resources for oversight and the implementation of whistleblower protection within the UN system. We also applaud the creation of an ethics office and the issuance of stricter financial disclosure requirements.

Already, though, we have seen sharply divided positions emerging on some key issues. Some member states have made it clear their interests are served by NOT reforming the UN. Many members of the Group of 77, or G-77 as it is known, are resisting efforts by the Secretariat to reform and streamline basic managerial structures and practices. They rallied together in response to the March 2006 report by the Secretary-General, which offered a remarkably frank assessment of the situation we face today. His assessment was as follows:

"The earlier reforms addressed the symptoms, more than the causes, of our shortcomings. It is now time to reach for deeper, more fundamental change. What is needed, and what we now have a precious opportunity to undertake, is a radical overhaul of the entire Secretariat – its rules, its structure, its systems – to bring it more in line with today's realities, and enable it to perform the new kinds of operations that Member States now ask and expect of it....Such a radically expanded range of activities calls for a radical overhaul of the United Nations Secretariat — its rules, structure, systems and culture. Up to now, that has not happened."

Outlined in this report were a number of specific proposals to reform the UN system to increase efficiency. Recently, the Fifth Committee, which is the member state body in the UN system that handles budgetary and management-related issues, voted against many measures that would have increased the ability of the Secretariat to implement a number of significant and genuine reforms. To be sure, we do not agree with every single reform proposed by the Secretary-General, but we certainly agree with his diagnosis of the problem and support his efforts.

What was particularly interesting about the Fifth Committee vote on some of the Secretary-General's proposed reforms was the way the vote split. On one side are a group of 50 nations, including the U.S., who are pushing an ambitious reform agenda, and whose combined contributions happen to total more than 86.7% of the UN budget. On the other side are over 120 nations who contribute 12% of the budget, and are blocking these reforms. The U.S. is still actively negotiating many of the types of

reforms proposed by the Secretary-General, though we must acknowledge it will be an uphill battle, with a majority of member states throwing down the gauntlet to reflect their opposition to some of the most anodyne of reforms. This was exemplified just last week when they wrote a letter to the Secretary-General chastising him for issuing reports to the public on his proposals for some reforms he feels necessary. It has become apparent that some members of the General Assembly are trying to prevent the Secretary-General from serving in his capacity and duty-bound role as the Chief Administrative Officer of the UN.

OIOS Independence

Closely related to the issue of management reform is the importance of increasing the transparency and accountability of the myriad institutions within the UN system. We remain concerned about the independence and autonomy of the Office of Internal Oversight Services, or OIOS. OIOS is the Inspector General of the UN, the body charged within the UN system to provide internal auditing, investigation and evaluation of all activities under the authority of the Secretary-General. The problem, though, is that in several ways OIOS is potentially beholden to those it is responsible for investigating. This inherently creates a conflict of interest, whether any specific one is identified or not. Just last month, the U.S. Government Accountability Office issued a report that concluded:

"UN funding arrangements constrain OIOS's ability to operate independently as mandated by the General Assembly and required by international auditing standards OIOS has adopted. ...OIOS depends on the resources of the funds, programs, and other entities it audits. The managers of these programs can deny OIOS permission to perform work or not pay OIOS for services. UN entities could thus avoid OIOS audits and investigations, and high-risk areas can be and have been excluded from timely examination."

~Statement by David M. Walker, Comptroller General of the United States, "United Nations: International Oversight and Procurement Controls and Processes Need Strengthening," United States Government Accountability Office, April 27, 2006.

This situation is untenable and serves as an open invitation to those who may seek to defraud or abuse the system. As another measure to ensure OIOS' independence, we encourage OIOS to continue providing to member states any and all findings and conclusions it reaches whenever requested, a requirement the United States succeeded in having adopted by the UN General Assembly. OIOS can serve as a valuable tool for member states to take action or push through reforms that are sorely needed. We will push hard to make sure that the Independent Audit Advisory Committee is fully established to validate OIOS' work and ensure OIOS' independence of the UN Secretariat.

Mandate Review

Establishing a fully independent and autonomous OIOS goes part and parcel with another major initiative currently underway in New York: the review of program mandates authorized by either the General Assembly or the Security Council that are more than five years old. Implementing an established and routine process to review program mandates is critical because there is no systemized process in place to review mandates, and thus mandates have been examined only in an ad hoc fashion by the UN, the UNGA, and the UNSC. We have no way of halting mandates that are obsolete or ineffective, and thus the US and all other contributing members of the UN continue funding them. We hope to establish an ongoing process that will enable us to review program mandates not just now, but in the future as well. Reform of the UN should be done on a continuing basis, not just done in an ad hoc fashion.

Unfortunately, we are encountering intense opposition from the G-77 on this issue. They currently argue that their review excludes mandates that have been renewed by the General Assembly within the last 5 years. The G-77 position, if adopted, would unfortunately exclude from review some 75% of presently active mandates and hamper our ability to eliminate significant waste and overlap within the UN system. To date, these countries have made clear their interest in the status quo on this issue, which has resulted in active opposition to any genuine reform. At this stage, it is not possible to predict the ultimate outcome. With the budget cap set to expire in early July, we must work with our allies to persuade those opposed to reform to change their views.

Human Rights Council

That past March, we also witnessed the creation of the new Human Rights Council. As you know, the United States did not feel it appropriate to run for a seat on the Council given our opposition to its final structure in the first place. This in no way reflects, however, our unwavering commitment to human rights. We remain concerned that its institutional design could lead it to replicate the same flaws of old and will continue to work with countries that wish to promote and protect human rights as an Observer on the Council. We urge Council members to work toward the protection of vulnerable populations from gross abuses of human rights in places such as Burma, Darfur, and North Korea.

With regard to the composition of the new Human Rights Council, there may be improvements over the old Commission on Human Rights, but we remain concerned that a number of countries elected lack a genuine commitment to the protection and promotion of human and rights, and have themselves been cited as gross abusers of human rights. Some countries with abysmal records did not secure enough votes to be elected, such as Iran, and others on troubling trajectories such as Venezuela. And while we do not hold a seat, rest assured that the U.S. will be actively engaged as observers when the new Council convenes for the first time on June 19th in Geneva.

Critical Issues Confronting the UN Security Council

Iran

Turning now to critical issues confronting the Security Council, it is certainly the case that the past few weeks have witnessed a flurry of activity on a number of important problems that I know this Committee is keenly interested in.

In terms of resolving the Iranian nuclear issue, we are actively engaged with the United Kingdom, France and Germany, or the EU-3, as well as with China and Russia, and others, in seeking a peaceful and diplomatic solution. All of us share the same goal and belief that a nuclear weapon-equipped Iran would pose a grave and serious threat to international peace and security. This would be true regardless of who leads Iran, but the inflammatory rhetoric of the Iranian regime's leader only serves to heighten tensions in the region.

It is difficult for me to go into specifics at this time, as just yesterday (May 24) there was a meeting in London of P-5 plus one Political Directors. I can tell you, though, that consultations in New York continue on a Chapter VII resolution in the Security Council. Failure of the Security Council to act on this urgent matter would send a telling signal to other would-be proliferators that the United Nations lacks the political will to tackle the greatest threats to peace and security confronted by the international community.

In addition to the nuclear question, know that the United States remains deeply committed to protecting and promoting the human rights and democratic aspirations of the Iranian people. It is with this in mind that Secretary Rice has requested a \$75 million increase from Congress to support democratic efforts within the country. We consider ourselves allies of the Iranian people in this effort, which is why it is so important to reiterate that our concerns are with the current regime, not the people of Iran.

Darfur

Turning now to the steps we are taking to try to stop the genocide in Darfur, where some 200,000 have died due to conflict, famine and disease in a civil war that has left over 2 million homeless since 2003. Atrocities must stop – like sexual violence to women in camps of displaced people – and those who have committed them must be held to account. There is some good news to report. Just last week, the Security Council unanimously passed Resolution 1679, which will facilitate planning for the future deployment of a UN peacekeeping operation in the Darfur region. It also has provisions calling for increased assistance to the current African Union peacekeeping force already in Sudan known as AMIS (African Mission in Sudan).

We are particularly pleased that the Resolution passed under the authority of Chapter 7 of the UN Charter. This is the part of the UN Charter that allows the Council to impose binding obligations on UN member states, and invoking it in this resolution underscores the importance the Council attaches to restoring peace and security in Darfur. This was a major diplomatic success for the United States given opposition by China and Russia.

This Resolution sends a strong message to the government of Sudan that it must not resist the UN efforts to supplement and augment the existing African Union peacekeeping force already there. This resolution will hopefully speed up the transition from the current African Union force of 7,000 to a much larger one of up to 14,000 under the command of the UN. We have seen some estimates that it might take 6 to 9 months for the augmented UN peacekeeping force to be on the ground. While that time-frame seems long to us, we are pleased that Resolution 1679 will help expedite that process now that more formalized planning can begin. While it is premature to go into detail about the exact nature of the contribution the U.S. will make to the new operation, we are actively involved in the planning process, and are prepared to utilize both U.S. and NATO assets where appropriate. Planning for the insertion of a UN peacekeeping force has already begun. Currently, an assessment team is preparing to visit Khartoum, and a delegation of members of the Security Council will be visiting shortly.

Lebanon

Finally, let me address the issue of Lebanon. Last week was an important stepping-stone toward hopefully achieving our goal of a democratically elected government in Lebanon free from interference by foreign forces, notably Syria and Iran. The passage of Resolution 1680, even with Russia's and China's abstention, sends a strong message to those countries that their continued attempts to coerce and undermine Lebanon's independence and democratic aspirations will not be tolerated by the international community.

It is important to keep the pressure on Syria, as we remain deeply concerned that the Syrian regime, despite the military withdrawal, continues to manipulate and coerce Lebanon in direct contravention of Resolution 1559. As President Bush recently noted, it is time for Syria to "stop exporting violence and start importing democracy."

Resolution 1680 also takes special note not just of Syria, but of Iran as well. For the first time ever, the Secretary-General issued a report recently singling out Iran's disruptive and unhelpful role in Lebanon. Iran's financing and support of well-known terrorist groups like Hizballah, Hamas, and Palestinian Islamic Jihad is a very serious matter and a direct impediment to achieving a sovereign and democratic Lebanon.

While Resolution 1680 builds upon Resolution 1559 in dealing with the question of Lebanon's security more generally, we continue to push for Syria's full cooperation on the investigation into the assassination of Lebanese Prime Minister Rafiq Hariri, as called for in Resolution 1595 and 1636. Resolution 1636 was also passed adopted under the authority of Chapter 7 last October, noting that Syria's continued lack of cooperation would constitute a serious violation of its obligations under the relevant resolutions. We continue to support Commissioner Serge Brammertz' ongoing investigation into this terrorist act, and will support an extension of the UN International Independent Investigation Commission when its mandate expires in mid-June.

It was just over one year ago that, what has now been termed the “Cedar Revolution”, was launched by the people of Lebanon. The United States stands firmly with the people of Lebanon who are working to help debunk the myth that people in the Middle East do not want democracy.

Burma

While Burma is not yet on the Security Council’s formal agenda, I want to assure you that we will be looking forward to Under Secretary General Gambari’s briefing later this week on his meetings in Burma. We will be working closely with our colleagues in the Security Council to find a way to back up Under Secretary General Gambari’s efforts to press for the release of political detainees, including Aung San Suu Kyi. And, we intend to promote an inclusive and genuine political dialogue in Burma that empowers Burma’s people to decide their own future.

Conclusion

Mr. Chairman, it has been a pleasure to meet with you today to tell you what is happening up in Turtle Bay, despite the fact that news is not terribly encouraging. There are many other issues I could discuss, but I know that you and your colleagues will have questions. Let me close by saying that I have enjoyed the close working relationship I have had with this Committee since arriving in New York last August. I greatly enjoyed your visit with several of your colleagues to the Security Council during our presidency last February, and know that door remains open any Committee member or member of their staff.